

Korea Zinc

1Q25 Earnings Release

May 9th, 2025



CONTENTS

1Q 2025 Business Results

Results & Outlook by Business

- Korea Zinc (Standalone)
- KZ Trading
- Sun Metals Corporation

Business Highlights

Appendix



Disclaimer

This presentation contains forward looking information and statements with respect to market conditions, financial conditions, results of operations and business, and plans of the management. Please note they may differ from actual results.

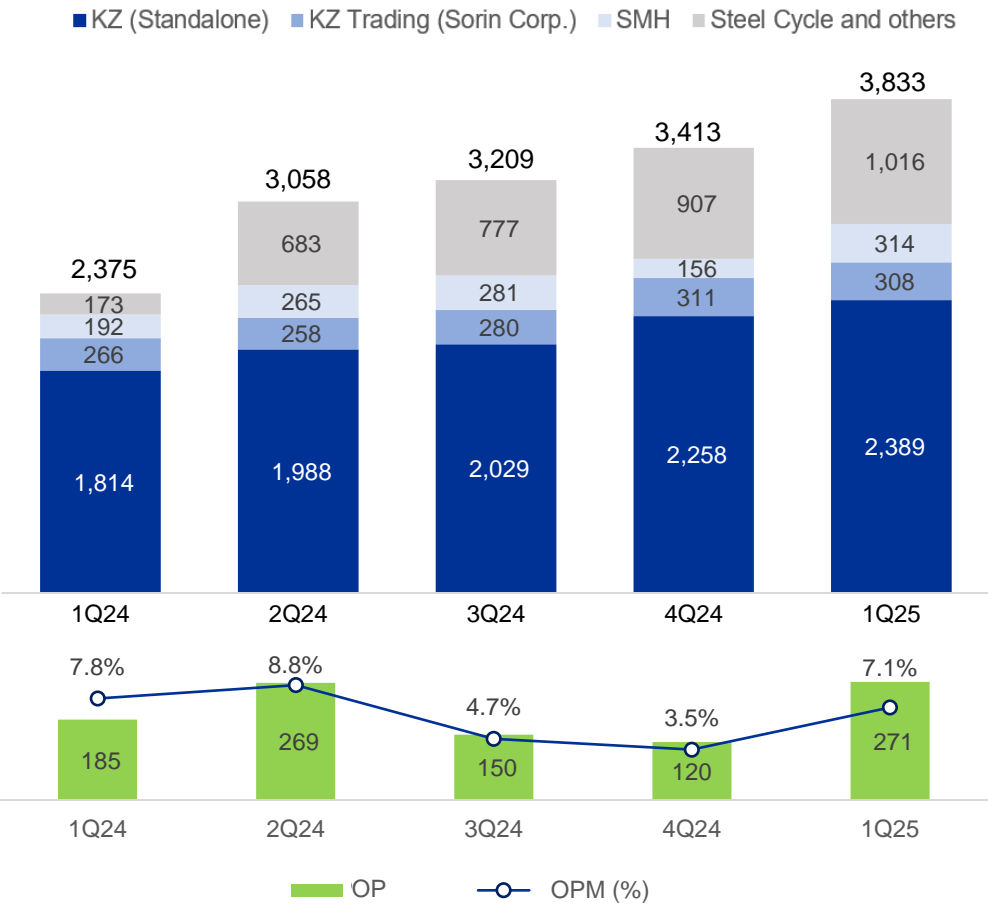
Financial results herein are under audit review, and therefore subject to change.

This presentation has been prepared solely for the purpose of assisting investors in making investment decisions, and it may not be used as evidence of legal liability. The company does not make any direct/indirect representation or warranty as to the accuracy or completeness of the information contained in this presentation. Also, the company is entitled to revise or replace this presentation material at any time. The company shall not assume any liability for damage or loss that may have occurred from the use of this presentation. Any information contained herein may not be copied or disseminated or used for any other purpose without the consent of the company.

1Q 2025 Business Results (Consolidated)

Quarterly Sales by Business

(bn KRW)



Quarterly Results

(bn KRW)

	1Q24	2Q24	3Q24	4Q24	1Q25	QoQ	YoY
Sales	2,375	3,058	3,207	3,413	3,833	+420	+1,457
Gross Profit	266	362	270	243	406	+163	+140
GPM	11.2%	11.8%	8.4%	7.1%	10.6%	+3.5%p	-0.6%p
Operating Profit	185	269	150	120	271	+151	+87
OPM	7.8%	8.8%	4.7%	3.5%	7.1%	+3.6%p	-0.7%p
EBITDA*	260	356	252	208	360	+152	+100
Pre-Tax Profit	153	251	219	-303	237	+567	+84
Net Profit	112	175	153	-246	160	+406	+48

* Operating Profit + Depreciation

1Q 2025 Business Results (Consolidated)

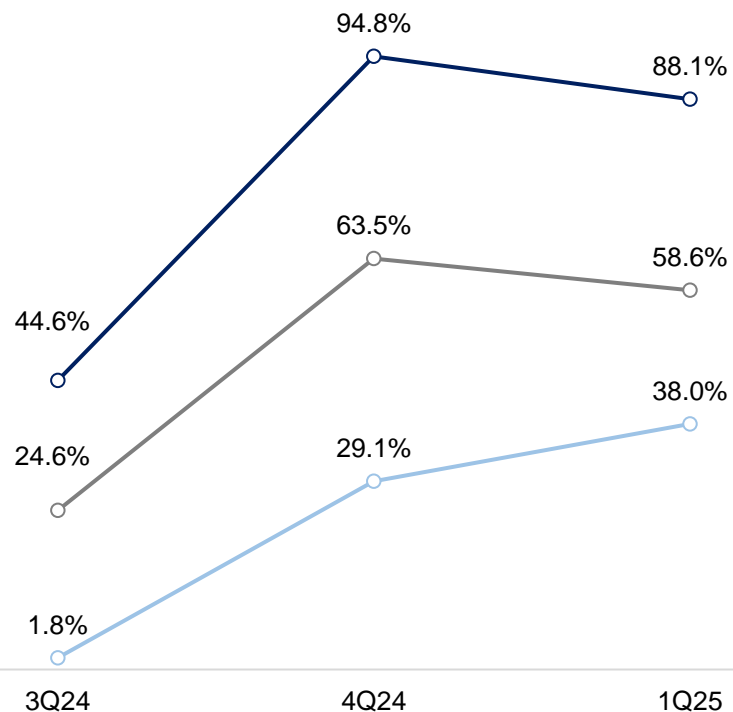
Balance Sheet

(bn KRW)

	3Q24	4Q24	1Q25	QoQ
Asset	13,641	14,792	14,376	-416
Current Assets	6,386	7,567	6,957	-610
Cash and Equivalents	1,510	894	577	-317
Short-term Investments*	638	1,721	1,003	-718
Non-current Assets	7,255	7,225	7,418	+193
PP&E	4,502	4,819	4,905	+86
Liabilities	4,210	7,197	6,734	-463
Debt	2,308	4,823	4,481	-343
Net Debt	160	2,208	2,900	+692
Shareholder's Equity	9,431	7,590	7,642	+46

Financial Ratios

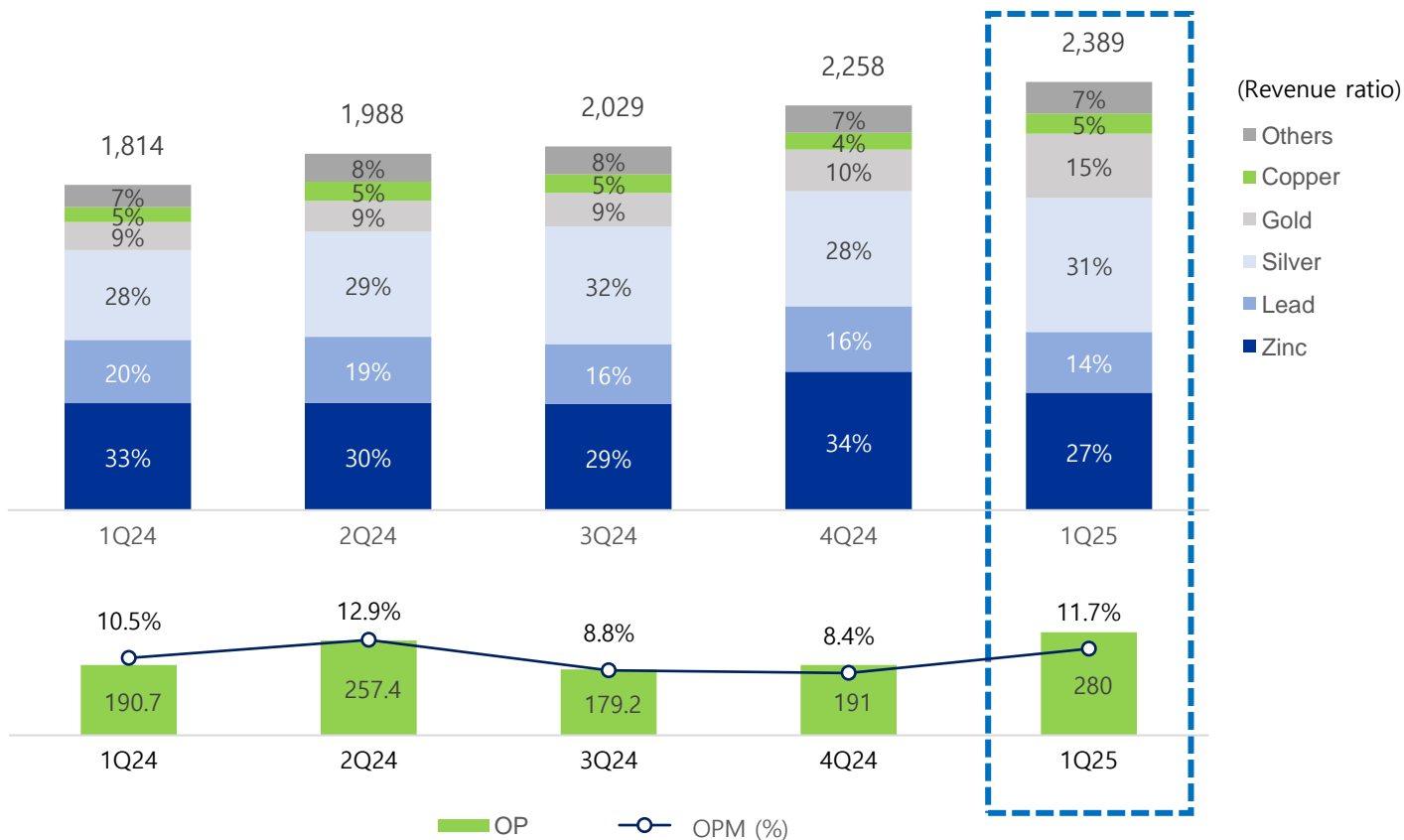
— Liabilities/Equity — Debt/Equity — Net Debt/Equity**



* Including Short-term Financial Instruments

** Including Short-term Investments

Quarterly Sales by Product (bn KRW)



1Q Results

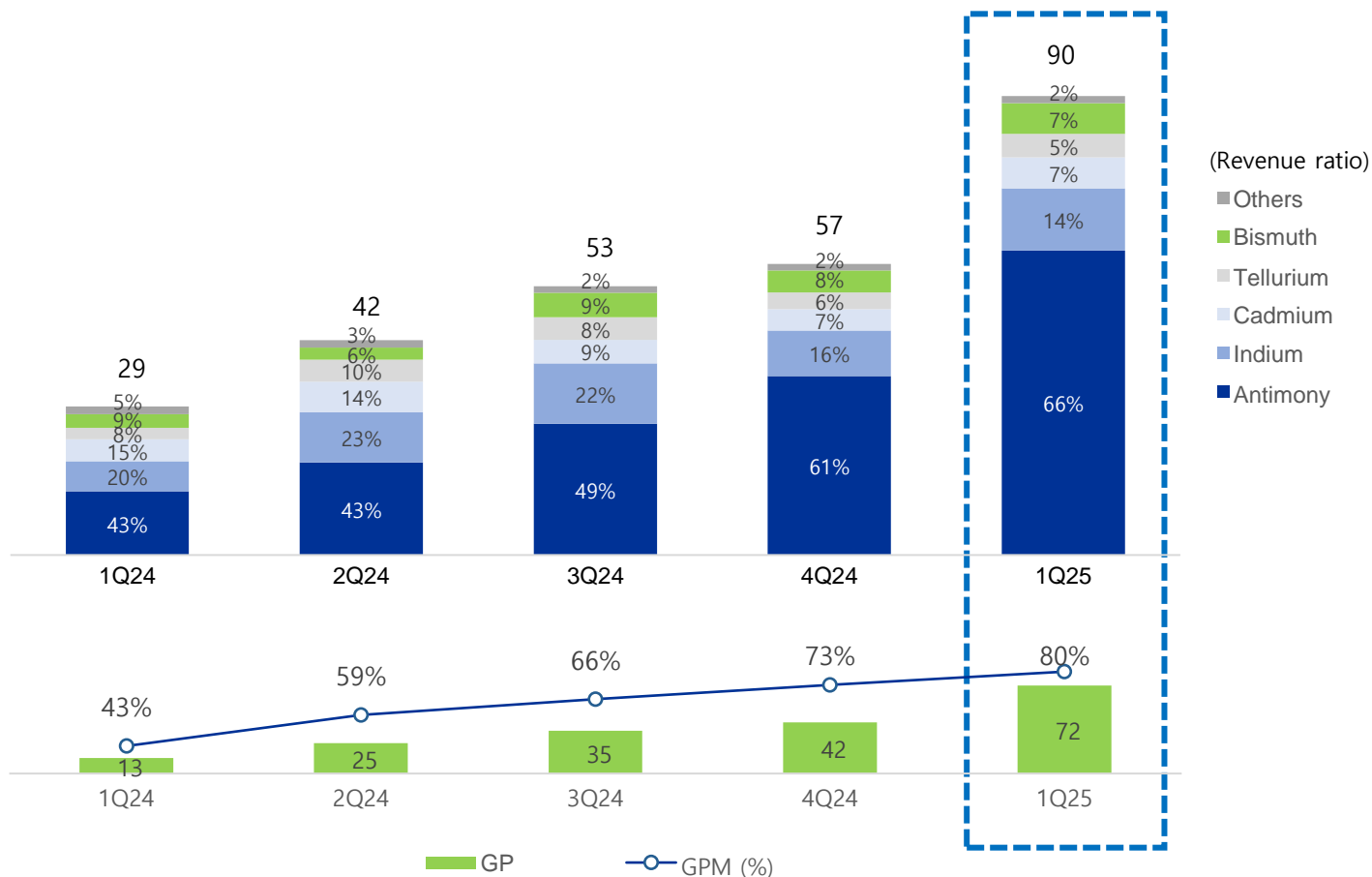
- Revenue and operating profit increased due to strong precious metal prices and favorable exchange rate
- Rare metals and strategic minerals drove increased sales and improved profitability, restoring double-digit operating profit margin



2Q Outlook

- Strong rare metal prices are expected to lead sustained profitability due to the U.S.-China trade dispute
- Global zinc supply-demand balance will be improved due to adjustments in domestic and international smelter operating rates

Quarterly Sales by Product (bn KRW)



1Q Results

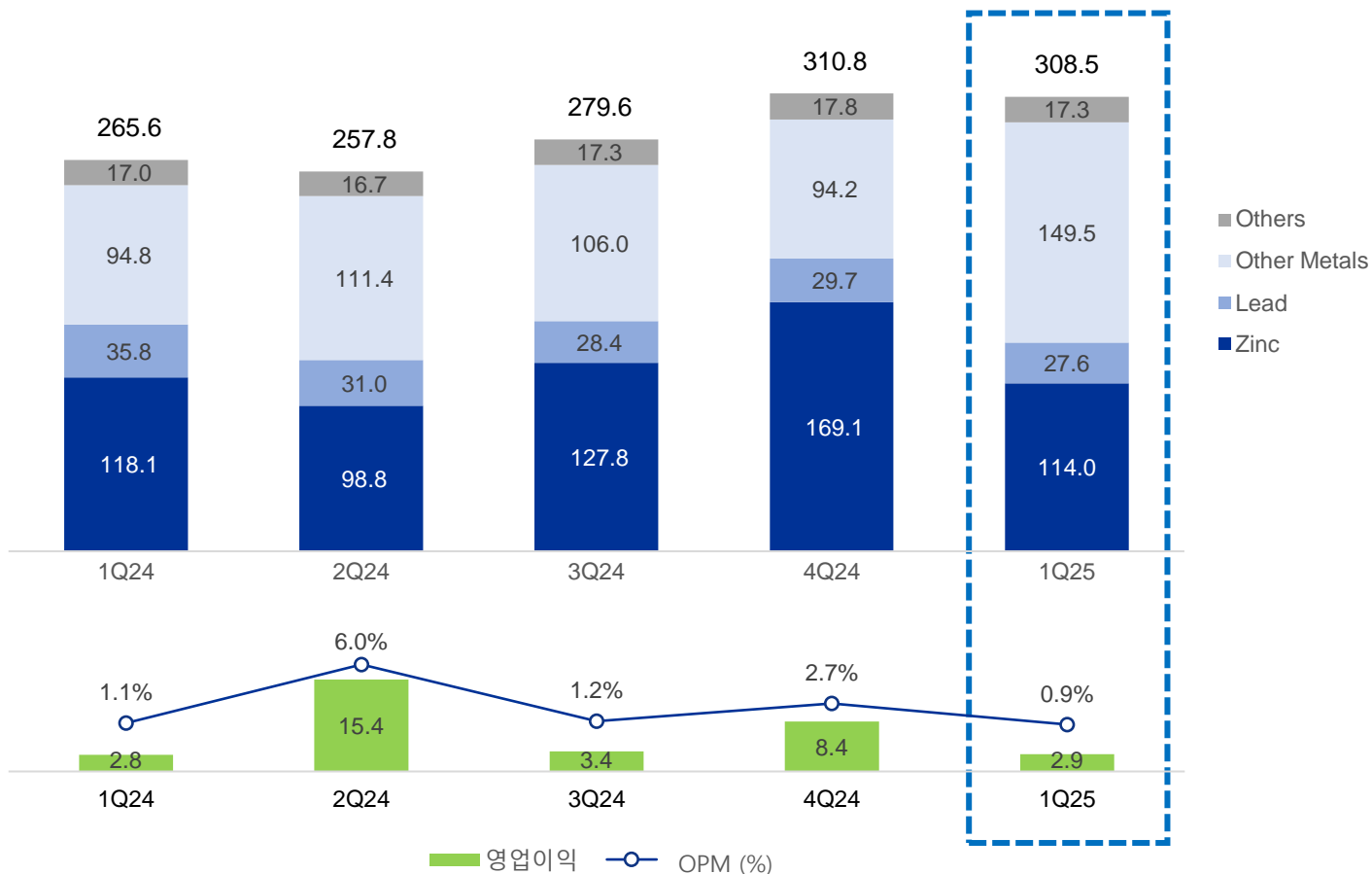
- Increased sales and improved profitability due to price increase and high yields of rare metals like Antimony



2Q Outlook

- Strong rare metal prices continues due to China's strategic export control over rare earths

Quarterly Sales by Product (bn KRW)



1Q Results

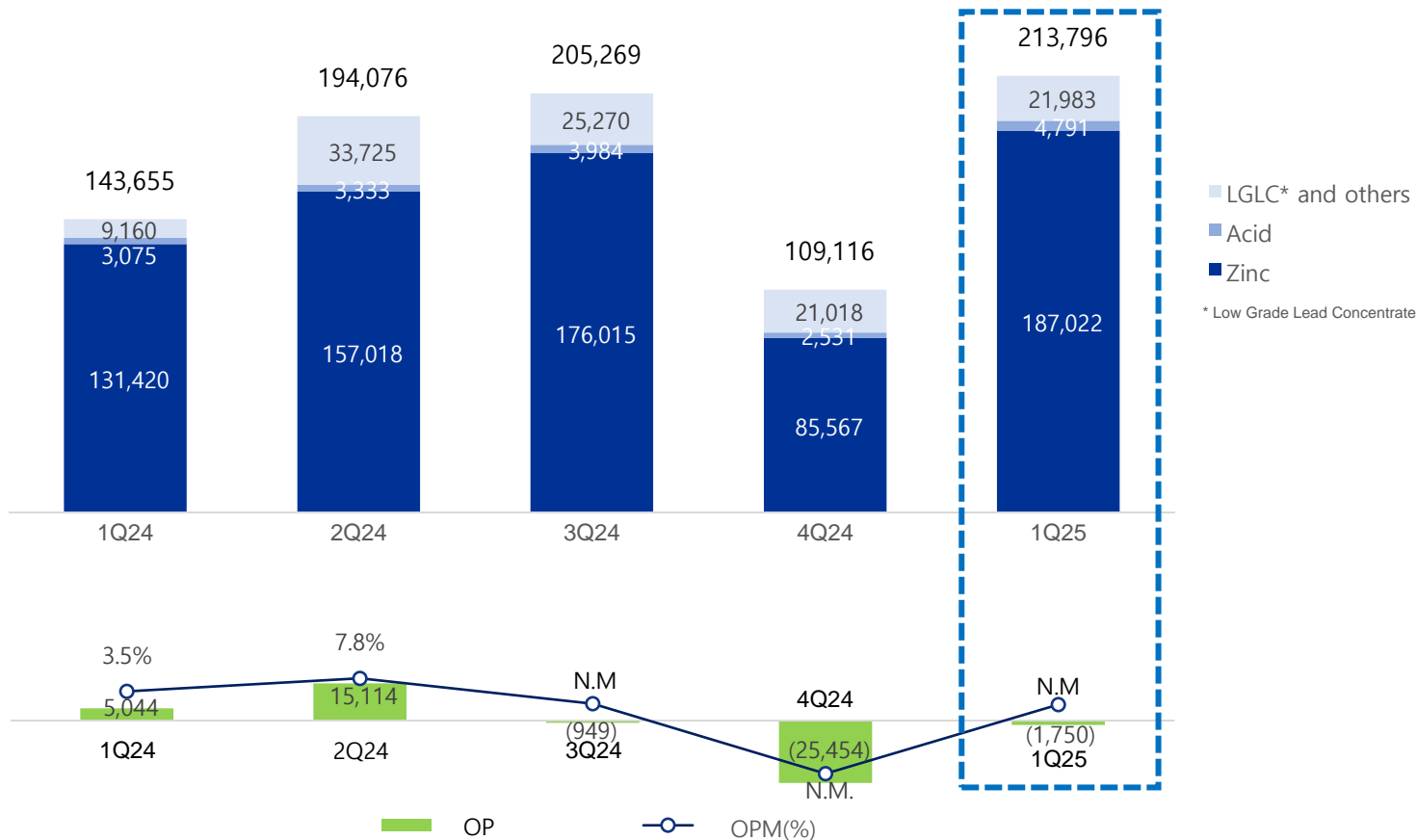
- Despite a decreased sales of zinc and lead, revenue maintained at the previous quarter's level due to increased sales of rare metals, including aluminum



2Q Outlook

- Profitability is expected to improve with the recovery in zinc and other metal sales

Quarterly Sales by Product (bn KRW)



1Q Results

- Sales increase and profitability improved as production normalized after the grand restoration in 4Q24



2Q Outlook

- Profitability is expected to increase due to higher utilization rate and improved zinc recovery rates

Business Highlights

Rare Metal Market

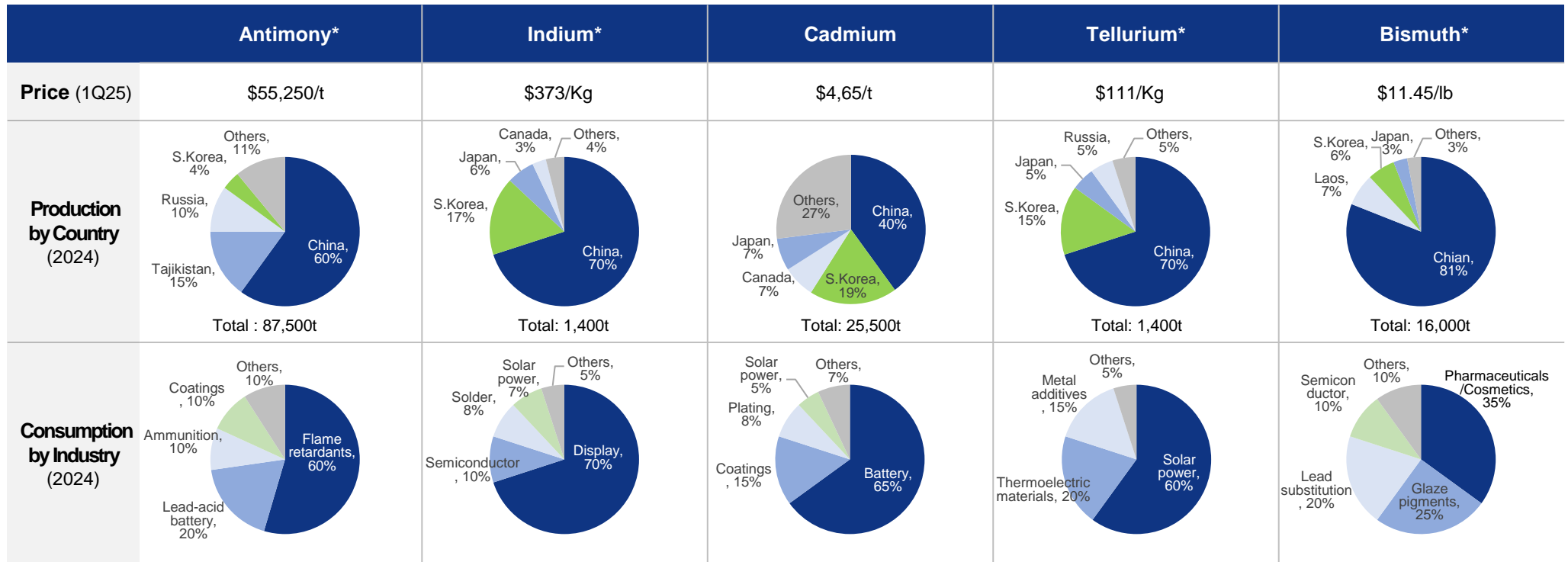
Renewable Energy Business Update



Rare Metal Market

Price & Production

- Enhanced production capacity of rare metals such as antimony and indium improves revenue and operating profit
- Prices of rare metals remains on an upward trend due to supply chain disruptions driven by China's export controls of critical minerals



* Metals subject to China's export controls

** Source: Bloomberg, United States Geological Survey (USGS, 2024), Korea Mineral Resource Information Service (KOMIS), Ministry of Natural Resources of the People's Republic of China

Renewable Energy Update

MacIntyre Wind Farm Project and SMC RE100 Roadmap

- **MacIntyre Wind Farm will begin commercial operation in 1H26**; renewable power supply is to operate in full capacity (92.73% complete)
- Cost-effective, reliable clean energy secures additional revenue, produces Green Zinc and captures decarbonization-driven price premiums in steel & smelting industry
- Stanwell Wind Farm and MacIntyre Wind Farm PPA accelerates SMC's RE100 goal (**RE80 by 2026, RE100 by 2031**)

MacIntyre Wind Farm Operation Plan



- 923MW (277MW based on Ark Energy)
- 1st Year Generation: 2,951 GWh (885 GWh based on Ark Energy)



2026 ~ 2030	2031 ~ 2036
<ul style="list-style-type: none">• 40% of generated power to Telstra• 30% of generated power to SMC• 30% of generated power to Market	<ul style="list-style-type: none">• 20% of generated power to Telstra• 50% of generated power to SMC• 30% of generated power to Market

'21.02
UJV Agreement

'22.02
Environmental Impact
Assessment Approved

'24.02
Grid Connection
Agreement Completed

2026.1H
Commercial Operation

'21.04
Development Permit
Approved

'22.03
Construction
Commenced

'24.04.12
Final Investment Decision
(FID)

SMC RE100 Roadmap

2018

SMC Solar Farm
(25% of SMC's power demand)

2019

RE25 Achieved

2020

Joins RE100 as the first smelter in
the industry



2031
RE100 Achieved

2022.03

MacIntyre (MWF) construction

2024.04

MWF Final Investment Decision

2031.1H

MWF, supplying 50% of generated
power
(40% of SMC's power demand)

2026.1H

MWF COD, supplying 30% of generated power
(20% of SMC's power demand)

2025.10

Stanwell Wind Farm PPA
(35% of SMC's power demand)

*According to an EU Parliament report, the Green Steel premium is expected to range from 5% to 24% of the selling price by 2030.

APPENDIX

Holding Structure

Shareholder Return Policy

Historical Sales Volume

Metal Prices & FX

Zinc TC & Earnings

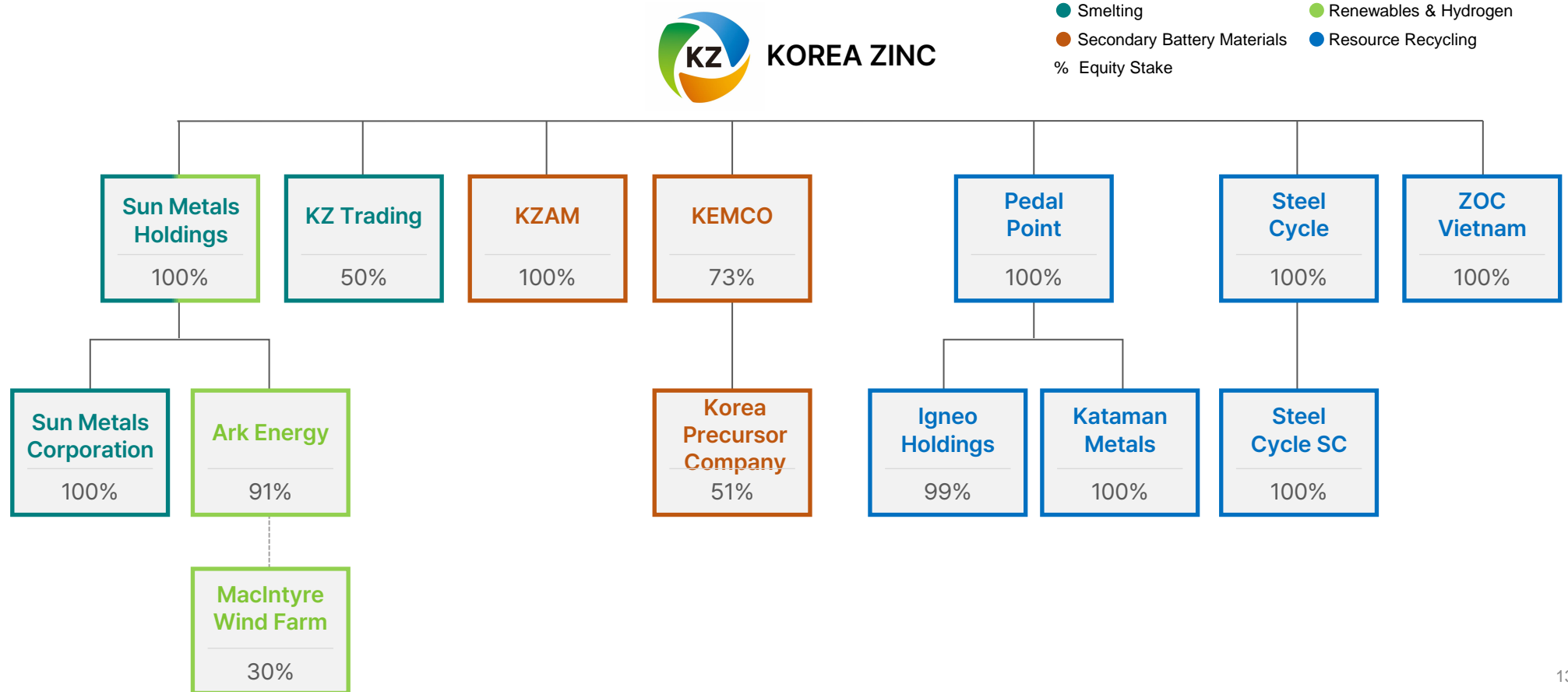
Sales Volume by Metal

Sales Revenue by Metal

Financials



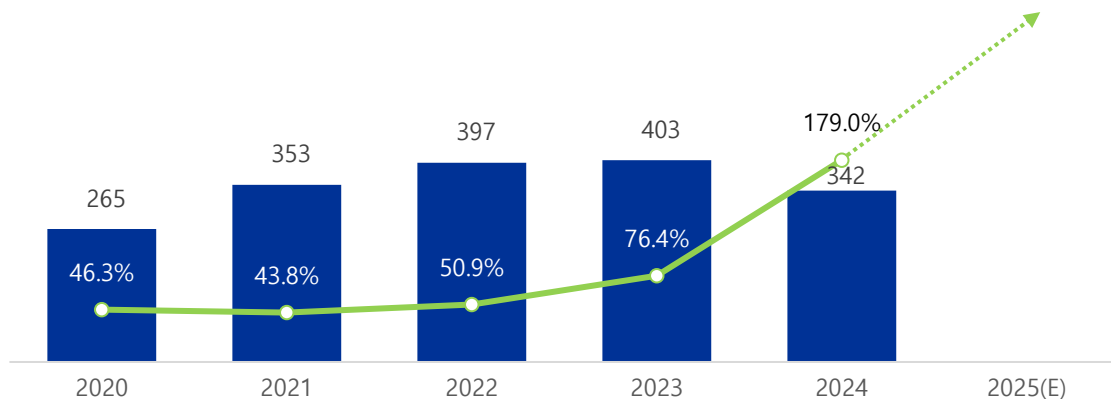
Holding Structure



Historical Shareholder Return

■ Total Shareholder Return (bn)

○ Total Shareholder Return (%)



Shareholder Return (KRW)	2020	2021	2022	2023	2024	2025(E)
DPS (a+b)	15,000	20,000	20,000	15,000	17,500	
Interim (a)	-	-	-	10,000	10,000	<i>TBD</i>
Year-end (b)	15,000	20,000	20,000	5,000	7,500	
Total Dividend (c)	265.1bn	353.5bn	397.3bn	302.7bn	341.8bn	
Cancellation of Shares (d)	-	-	-	1,00bn	-	1,669bn
Total Shareholder Return (c+d)	265.1bn	353.5bn	397.3bn	402.7bn	341.8bn	1,669bn
Total Shareholder Return (Consolidated basis)	46.3%	43.8%	50.9%	76.4%	179.0%	



Shareholder Return Highlights

- Maintaining 3-year average total shareholder return rate above 40% (Consolidated basis) (2025-2027)
- Target to maintain reserve ratio below 8,000%
- Cancellation of all treasury shares acquired through the tender offer**
 - Total : 2,040,030 shares**
 - * 9.85% of total outstanding shares
 - 680,010 shares to be cancelled in June, August, and December

Historical Sales Volume

Holding
Structure

Shareholder
Return Policy

Historical
Sales Volume

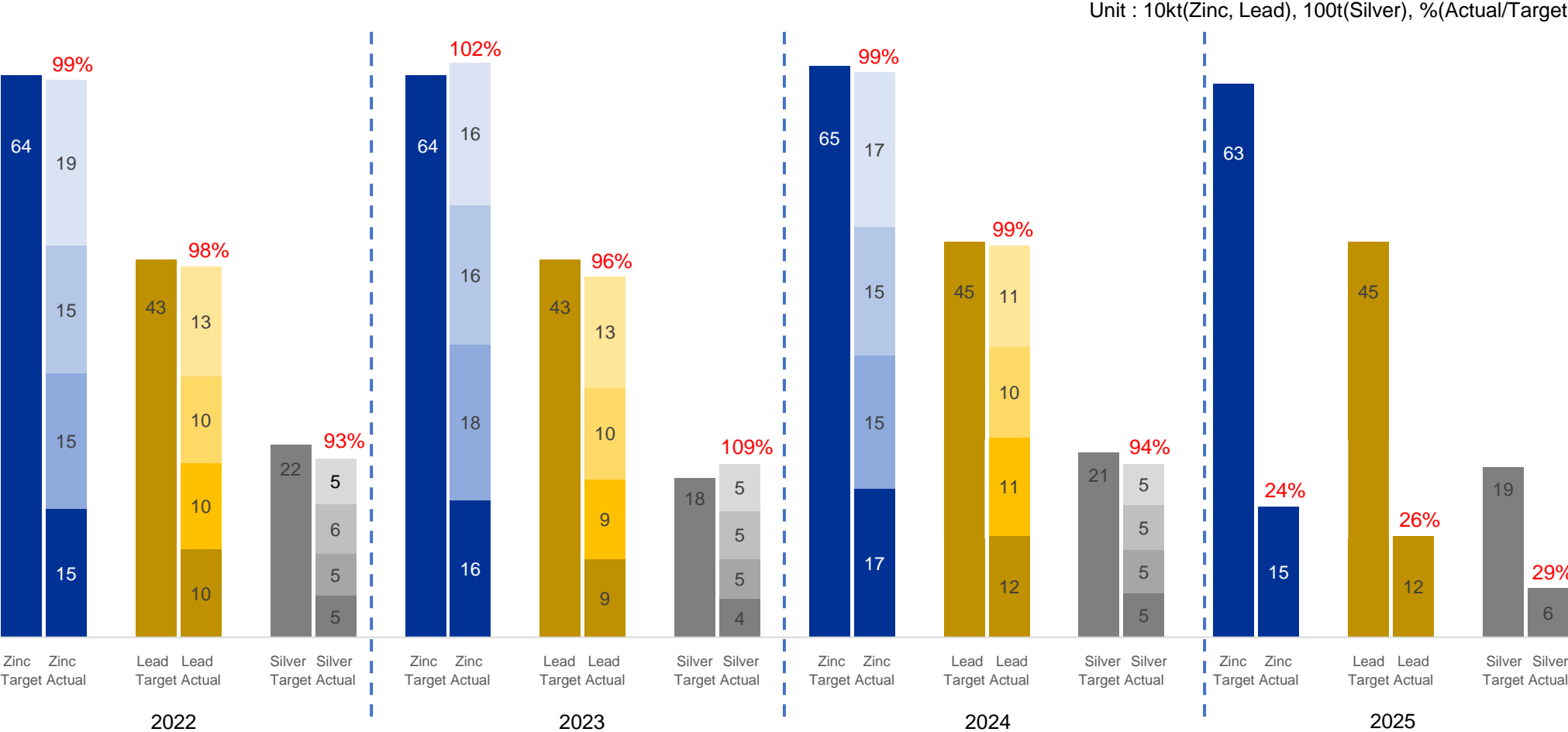
Metal Prices
& FX

Zinc TC
& Earnings

Sales Volume
by Metal

Sales Revenue
by Metal

Financials



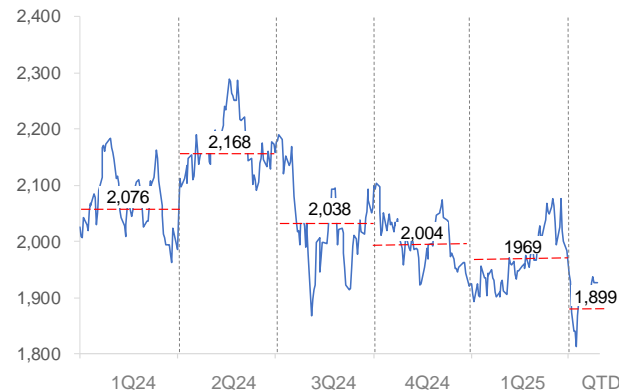
USD/KRW (Avg.)



Zinc (USD/MT)



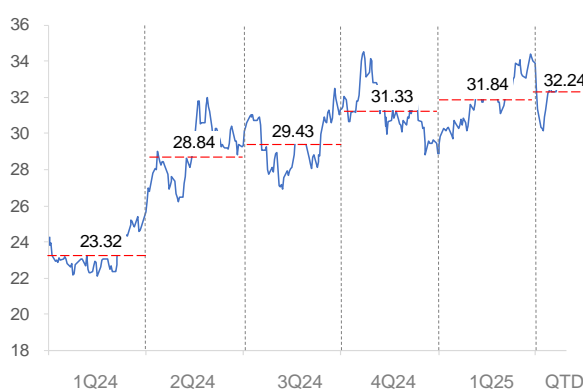
Lead (USD/MT)



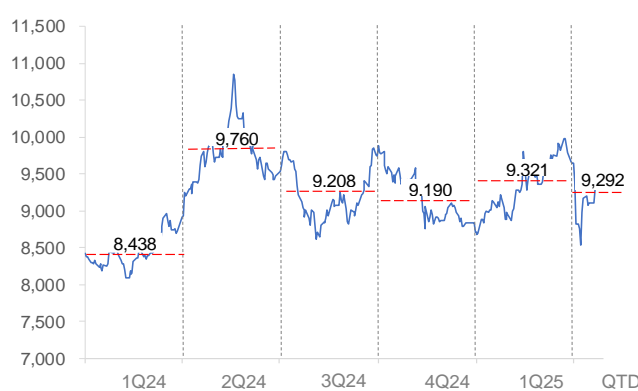
Gold (USD/oz)



Silver (USD/oz)

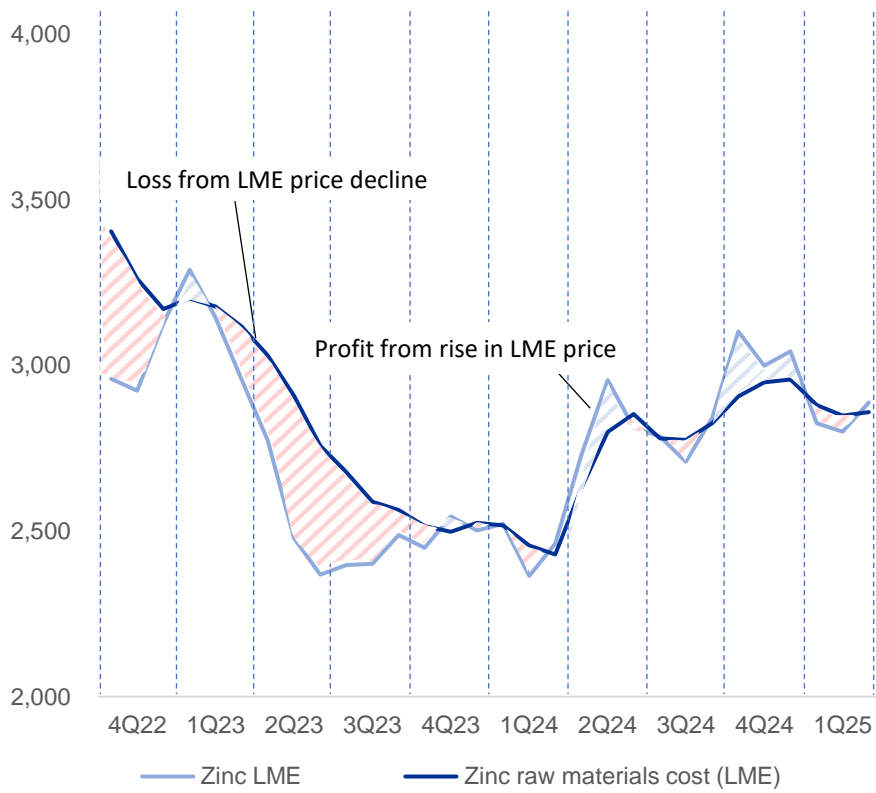


Copper (USD/MT)

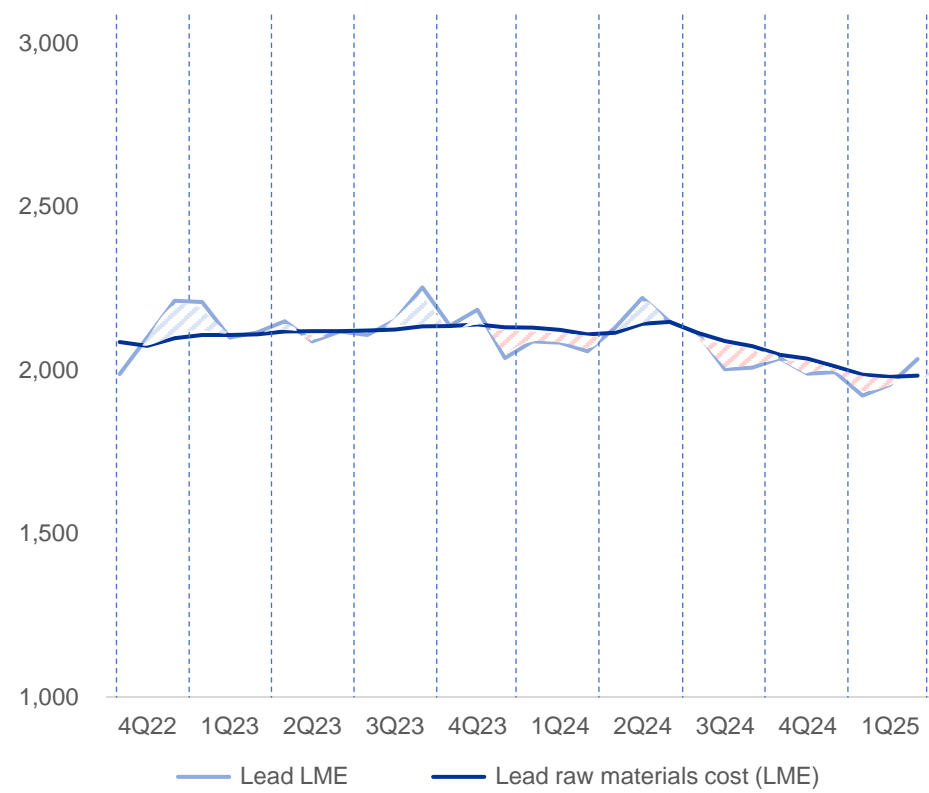


LME Price & Raw Materials Cost Trend (USD/t)

Zinc

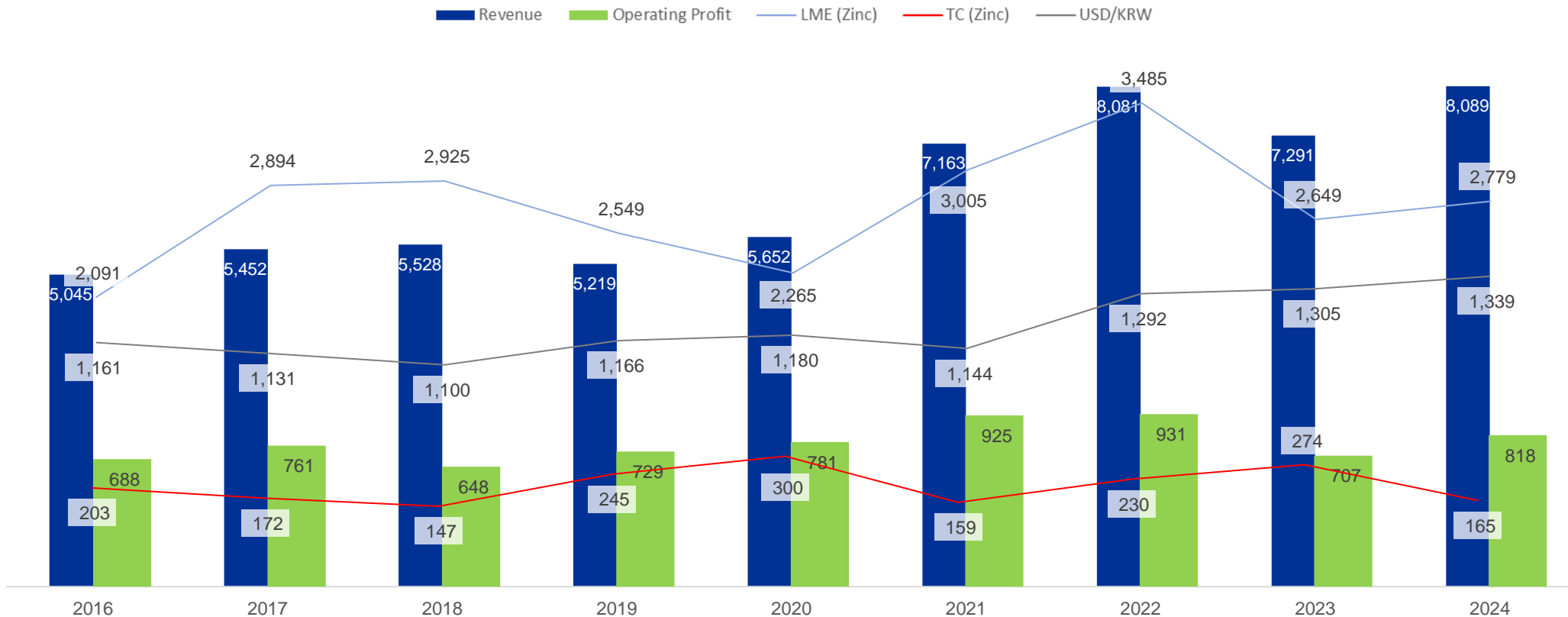


Lead



Benchmark TC, FX & OP (Standalone)

(bn KRW, USD/t)



Source: Bloomberg, Metal Bulletin
TC (Zinc) : Asian Benchmark T/C

Sales Volume by Metal

Holding
Structure

Shareholder
Return Policy

Historical
Sales Volume

Metal Prices
& FX

Zinc TC
& Earnings

Sales Volume
by Metal

Sales Revenue
by Metal

Financials

KZ (Standalone)

		1Q24	2Q24	3Q24	4Q24	1Q25	QoQ	YoY
Zinc(MT)	Domestic	60,305	59,526	62,097	67,885	63,163	-7.0%	4.7%
	Export	108,616	92,904	83,626	108,102	83,326	-22.9%	-23.3%
	Total	168,921	152,430	145,723	175,987	146,489	-16.8%	-13.3%
Lead(MT)	Domestic	34,392	34,926	30,645	33,115	30,415	-8.2%	-11.6%
	Export	80,901	77,574	72,308	81,801	74,037	-9.5%	-8.5%
	Total	115,293	112,500	102,953	114,916	104,452	-9.1%	-9.4%
Silver(KG)	Domestic	6,460	6,974	11,230	6,110	12,560	105.6%	94.4%
	Export	494,395	489,617	499,972	458,156	502,100	9.6%	1.6%
	Total	500,855	496,591	511,202	464,266	514,659	10.9%	2.8%
Gold(KG)	Domestic	1,753	1,667	1,740	1,953	2,475	26.7%	41.2%
	Export	-	-	-	-	-	-	-
	Total	1,753	1,667	1,740	1,953	2,475	26.7%	41.2%
Copper(MT)	Domestic	6,382	6,702	6,710	5,015	6,029	20.2%	-5.5%
	Export	1,147	1,272	1,622	2,280	2,276	-0.2%	98.4%
	Total	7,529	7,974	8,332	7,296	8,305	-16.3%	-18.9%

Sales Revenue by Metal

Holding
Structure

Shareholder
Return Policy

Historical
Sales Volume

Metal Prices
& FX

Zinc TC
& Earnings

Sales Volume
by Metal

Sales Revenue
by Metal

Financials

KZ (Standalone)

bn KRW		1Q24	2Q24	3Q24	4Q24	1Q25	QoQ	YoY
Zinc	Domestic	216	234	254	295	283	-3.9%	31.4%
	Export	381	365	339	478	373	-22.1%	-2.2%
	Total	596	599	592	773	656	-15.1%	10.0%
Lead	Domestic	105	115	99	103	97	-5.6%	-7.7%
	Export	248	254	235	261	242	-7.5%	-2.7%
	Total	354	369	334	364	339	-7.0%	-4.2%
Silver	Domestic	6	9	14	8	19	124.9%	198.1%
	Export	495	577	641	633	728	15.0%	47.1%
	Total	501	586	655	641	747	16.4%	49.0%
Gold	Domestic	155	172	188	233	330	41.7%	113.1%
	Export	-	-	-	-	28	-	-
	Total	155	172	188	233	358	53.8%	131.3%
Copper	Domestic	72	90	83	64	81	25.8%	12.3%
	Export	13	17	21	30	31	5.0%	140.5%
	Total	85	107	104	94	112	19.3%	31.8%
Others	-	123	155	156	153	177	15.8%	44.4%

Korea Zinc (Consolidated)

PL (bn KRW)	1Q24	2Q24	3Q24	4Q24	1Q25	QoQ	YoY
Sales	2,375	3,058	3,207	3,413	3,833	12.3%	61.4%
Gross Profit	266	362	270	243	406	67.4%	52.5%
Operating Profit	185	269	150	120	271	125.5%	46.9%
OPM(%)	7.8%	8.8%	4.7%	3.5%	7.1%	3.6%p	-0.7%p
EBITDA	260	356	252	208	360	72.6%	38.2%
Net Profit	112	175	153	-246	160	171.2%	42.7%

Korea Zinc (Standalone)

PL (bn KRW)	1Q24	2Q24	3Q24	4Q24	1Q25	QoQ	YoY
Sales	1,814	1,988	2,029	2,258	2,389	5.8%	31.7%
Gross Profit	237	301	236	267	352	29.8%	48.8%
Operating Profit	191	257	179	187	273	42.9%	43.0%
OPM(%)	10.5%	12.9%	8.8%	8.3%	11.4%	3.0%p	0.9%p
EBITDA	248	315	238	243	333	36.9%	34.1%
Net Profit	140	198	195	-77	206	N/A	46.8%

BS (bn KRW)	1Q24	2Q24	3Q24	4Q24	1Q25	QoQ	YoY
Assets	10,146	10,843	11,355	12,248	11,648	-4.9%	14.8%
Current Assets	4,147	4,457	4,902	5,960	5,184	-13.0%	25.0%
Cash and Financial instruments	396	163	1,079	462	114	-75.3%	-71.1%
Short-term Investments*	1,437	1,053	432	1,594	870	-45.4%	-39.5%
Inventories	1,830	2,414	2,570	2,977	3,213	7.9%	75.6%
Non-current Assets	5,999	6,387	6,453	6,288	6,463	2.8%	7.7%
Liabilities	1,377	1,994	2,689	5,562	4,884	-12.2%	254.6%
Current Liabilities	1,346	1,964	2,654	5,475	4,798	-12.4%	256.6%
Non-current Liabilities	32	30	35	87	86	-1.8%	170.4%
Shareholder's Equity	8,769	8,849	8,666	6,686	6,764	1.2%	-22.9%

* Including Short-term Financial Instruments

KZ Trading

PL (bn KRW)	1Q24	2Q24	3Q24	4Q24	1Q25	QoQ	YoY
Sales	265.6	257.8	279.6	310.8	308.5	-0.8%	16.1%
Operating Profit	2.8	15.4	3.4	8.4	2.9	-65.5%	3.3%
OPM(%)	1.1%	6.0%	1.2%	2.7%	0.9%	-1.8%p	-11.0%p
Net Profit	6.3	0.3	-1.3	14.0	2.3	-83.6%	-63.3%

SMC

PL ('000 USD)	1Q24	2Q24	3Q24	4Q24	1Q25	QoQ	YoY
Sales	143,655	194,076	205,269	109,116	213,796	95.9%	48.4%
Operating Profit	5,044	15,114	-949	-25,454	-1,750	93.1%	-134.7%
OPM(%)	3.5%	7.8%	-0.5%	-23.3%	-0.8%	22.5%p	4.3%p
Net Profit	2,438	10,251	-1,198	-19,396	14,619	N/A	499.7%

Operation	1Q24	2Q24	3Q24	4Q24	1Q25	QoQ	YoY
Zinc Production (MT)	49,982	58,618	59,998	28,253	63,531	124.9%	27.1%
Zinc Sales (MT)	50,790	56,176	60,827	27,386	62,393	127.8%	22.8%
LGLC Sales (MT)	15,290	31,627	30,239	18,956	31,178	64.5%	103.9%

Steel Cycle Corporation

PL (bn KRW)	1Q24	2Q24	3Q24	4Q24	1Q25	QoQ	YoY
Sales	17.0	26.3	41.1	46.4	61.6	32.8%	263.0%
Operating Profit	-1.2	1.3	2.7	4.0	3.4	-14.0%	N/A
OPM(%)	-7.1%	5.0%	6.6%	8.6%	5.6%	-3.0%p	N/A
Net Profit	-0.6	1.8	2.2	3.2	4.5	40.6%	N/A



World's Leading
Green Energy and Material Provider

IR contact
IR@koreazinc.co.kr