

Saudi Arabian Mining Company (Ma'aden)

Investor Presentation – Q1 2020 Results



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Mosaed Sulaiman Al Ohali

Chief Executive Officer



Ma'adens 2025 Strategy

“Sustainable mining champion with global presence”



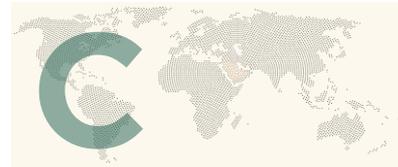
Pillar 1: Operational, capital and commercial excellence

- Enhance competitiveness
- Enhancing profitability and commercial return in line with the profitability of international companies
- Leverage digital technology and lean manufacturing to improve efficiency levels across all company assets



Pillar 2: National mining champion

- Grow sustainably phosphate, aluminum, gold and base metals in Saudi Arabia
- Grow in specific industrial minerals
- Leading the development of the Saudi mining sector



Pillar 3: Global presence

- Leverage world-class mineral deposits in Saudi Arabia to grow as a global industry leader
- Grow globally in selected commodities



Foundations : Sustainability and capability building

- Build best-in-class safety culture and practices across the organization and foster a zero-harm environment
- Strengthening capabilities and preparing leaders in all core business units to achieve Ma'aden's aspiration for growth
- Lead stewardship of the mining industry in Saudi Arabia and its ecosystem

Covid-19 Update



Ma'aden Response to Covid-19

“Protect – Detect – Isolate”

- Executed in line with Government guidance and regulation
- Prepared medical isolation areas in each site; medical staff present on all sites
- Vast majority of staff working remotely from home
- 1,200 employees attended 50+ trainings to work remotely

Q1 2020 Update



Q1-2020 Production Update

Covid-19 posed a variety of challenges



Production

- **Ammonium Phosphate Fertilizers** production was **1,158kt** (down 6% y-o-y and down 9% q-o-q)
- **Ammonia** production was **577kt** (down 2% y-o-y and down 6% q-o-q)
- **Aluminium** production was **245kt** (up 5% y-o-y and down 2% q-o-q)
- **Alumina** production was **426kt** (down 2% y-o-y and down 6% q-o-q)
- **Gold** production was **113oz** (up 45 % y-o-y and down 13% q-o-q)
- **Copper** production was **9.3kt** (up 21% y-o-y and up 12% q-o-q)

Q1-2020 Financial Performance Update

Covid-19 posed a variety of challenges

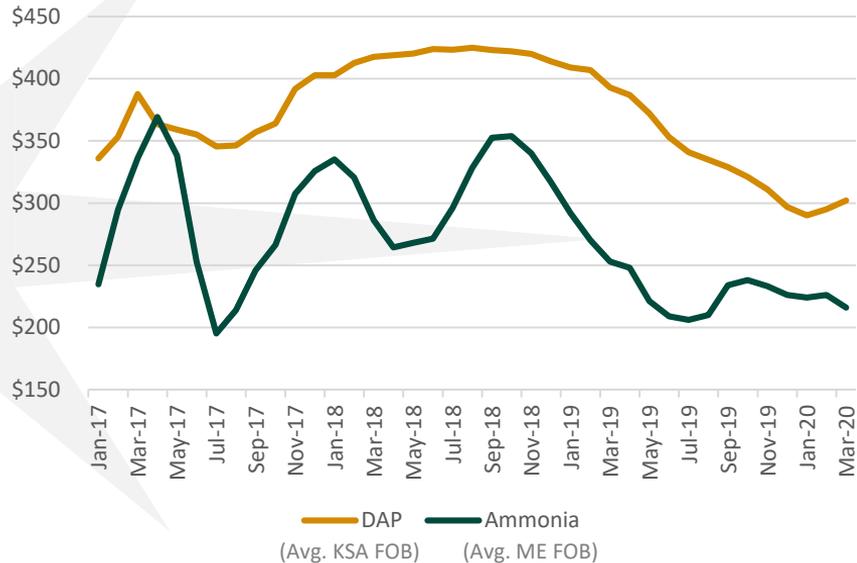


Financial Performance

- **Sales** was SR**4.4**bn; down **11%** q-o-q, due to lower prices (except gold) and volumes plus lower Meridian sales. Sales up **3%** y-o-y, driven by higher volumes despite lower prices (except gold)
- **EBITDA** was SR**1.1**bn; down **23%** q-o-q mainly due to lower sales. EBITDA down **22%** y-o-y despite higher sales, mainly due to lower margin of all products (except gold)
- **Net loss** of SR**0.64**bn was incurred Q1-20; higher than the SR**0.43**bn in Q4-19 and SR**0.25**bn in Q1-19 mainly due to lower EBITDA
- **Cash** generated from operations was SR**0.65**bn; down **53%** q-o-q
- **Working capital** was SR**4.6**bn; down **2%** q-o-q

Q1 2020 - Phosphate & Ammonia Prices

Demand affected by Covid-19



Phosphate

- Prices recovered in Q1-20 by 5% vs. Dec-19
- Improved demand fundamentals in key markets like US, Brazil, Australia and India
- China supply was down 40% due to Covid-19
- Despite lockdowns, no impact as fertilizers are classified as essential
- Some lower raw material prices

Ammonia

- Q1-20 prices are down 4% vs. Q4-19
- Demand from fertilizers and industrial sectors down in Far East and South Asia
- Increase in shipping cost due to new "IMO 2020" fuel regulations

Q1 2020 - Aluminum & Alumina Prices

Demand affected by Covid-19



Aluminium

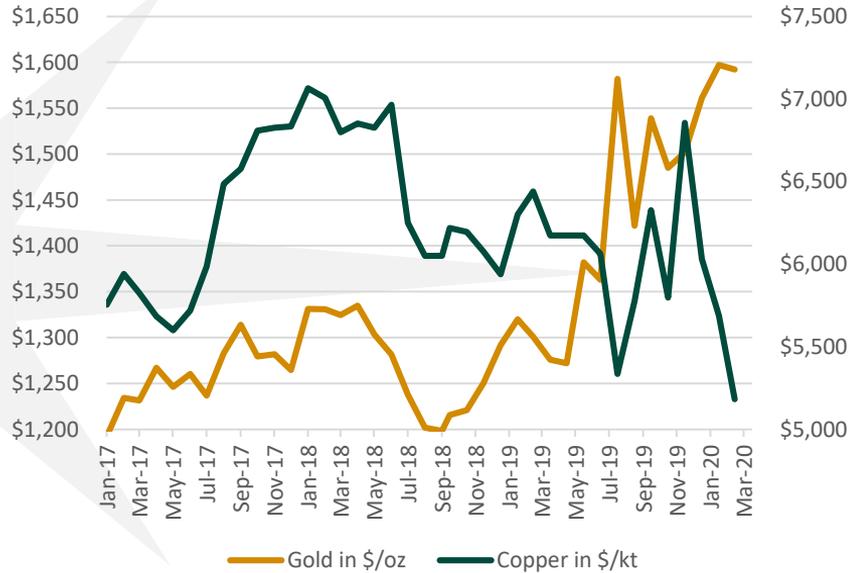
- Q1 lockdowns in various aluminum downstream industries across the world
- Demand dropped sharply

Alumina

- Alumina began the year on a bullish note
- Strong buying interest from China
- Dropped mid-March as COVID-19 escalated
- Alumina prices declined in Q1

Q1 2020 - Gold & Copper Prices

Gold prices higher; Copper demand weak



Factors impacting gold and copper price:

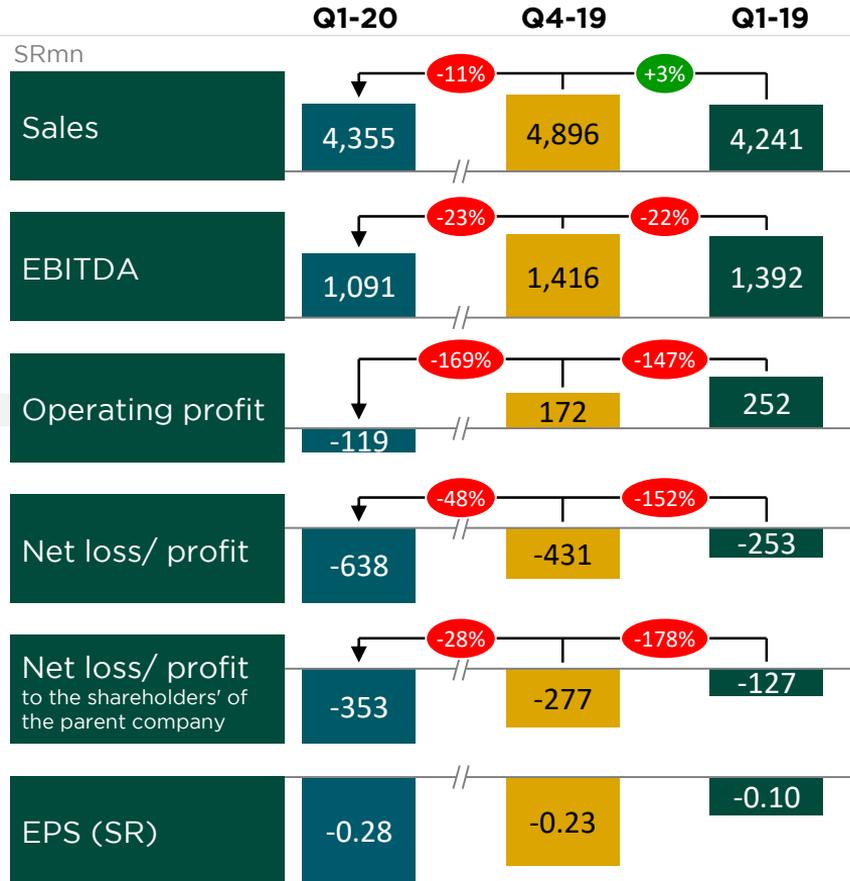
- Negative real interest rates in the US
- A recession could be positive for the gold price
- Gold a recognized store of wealth
- Geopolitical uncertainties supports gold prices
- Unpredictable approval processes are delaying new mine developments
- Copper prices depressed
- Despite capacity rationalization in China
- Low demand exceeded supply losses

Khaled S. Al Khattaf

Sr. Vice President – Finance & CFO

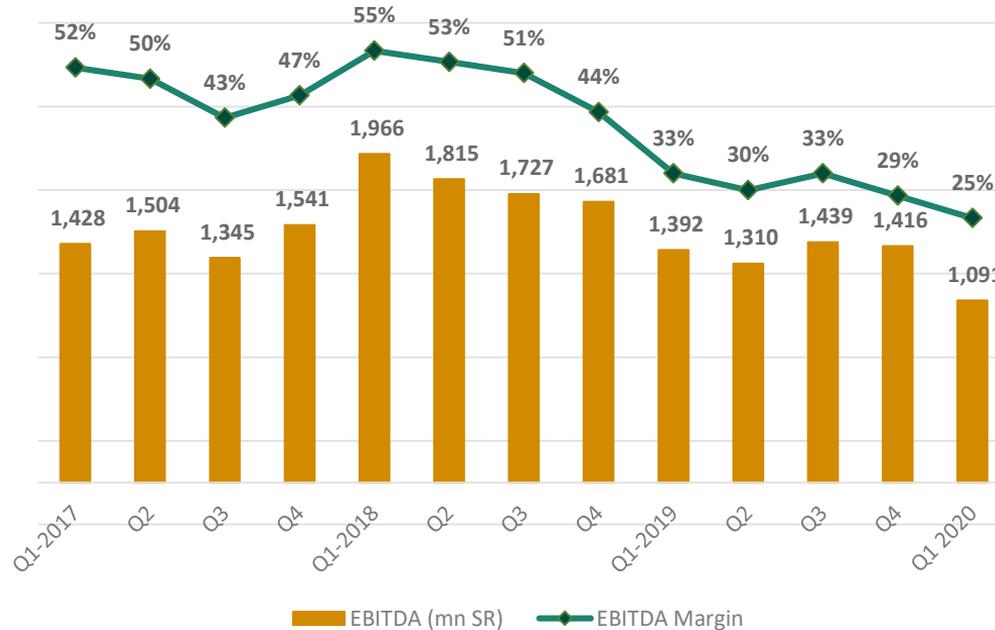


Consolidated Key Financial Results



Quarterly EBITDA and EBITDA margins

Resilient despite falling commodity prices



Consolidated Sales and EBITDA by Segment

Consolidated

	Q1-20	vs. LY Qtr.	vs. Prev. Qtr.
Sales (SRmn)	4,355	↑3%	↓-11%
EBITDA* (SRmn)	1,091	↓-22%	↓-23%
<i>EBITDA margin</i>	25%	↓-8%	↓-4%

Phosphate

	Q1-20	vs. LY Qtr.	vs. Prev. Qtr.
Sales (SRmn)	1,908	↓-8%	↓-11%
EBITDA* (SRmn)	155	↓-81%	↓-69%
<i>EBITDA margin</i>	8%	↓-31%	↓-15%

14% of Group EBITDA

Aluminium

	Q1-20	vs. LY Qtr.	vs. Prev. Qtr.
Sales (SRmn)	1,762	↓-1%	↓-14%
EBITDA* (SRmn)	624	↑40%	↑18%
<i>EBITDA margin</i>	35%	↑10%	↑10%

57% of Group EBITDA

Gold

	Q1-20	vs. LY Qtr.	vs. Prev. Qtr.
Sales (SRmn)	685	↑80%	↓-3%
EBITDA* (SRmn)	312	↑135%	↓-20%
<i>EBITDA margin</i>	46%	↑11%	↓-10%

29% of Group EBITDA

1 - Corporate functional department costs and other expenses not directly related to SBUs were allocated proportionately based on revenue share of each segment

Condensed Cash Flow Statement

Strong cash position in Q1 2020

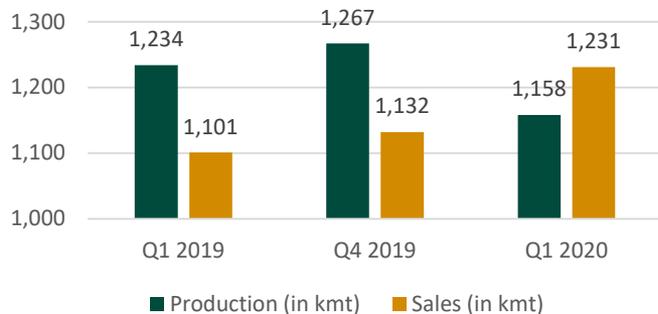
(Amounts in million SAR)	Q1-19	Q2-19	Q3-19	Q4-19	Q1-20
Net Cash - Operating Activities	436	569	795	1375	649
Net Cash - Investing Activities	(513)	(494)	(1167)	(775)	(949)
Net Cash - Financing Activities	(422)	(980)	(379)	(580)	(419)
Net Change in Cash	(499)	(905)	(750)	20	(720)
Cash Closing	8,427	7,522	6,771	6,792	6,072

Operational Performance



Phosphate: Q1-2020 Production & Sales

Ammonium Phosphate Fertilizer



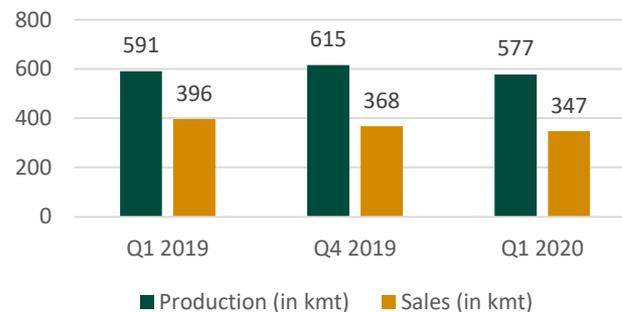
Production :

- decreased **76kmt** y-o-y
 - decreased by **109kmt** q-o-q
- due to lower capacity utilization & unplanned shutdown

Sales :

- increased by **130kmt** y-o-y
 - increased by **99kmt** q-o-q
- due to slippage of shipments in Dec 2019 to Jan 2020

Ammonia



Production :

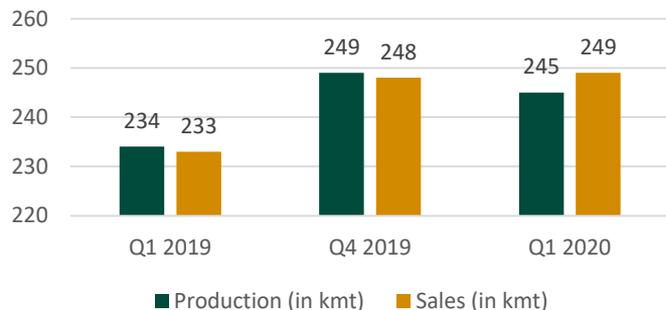
- decreased by **13kmt** y-o-y
 - decreased by **38kmt** q-o-q
- due to supply constraints and unplanned shutdown

External Sales Volume :

- decreased by **49kmt** y-o-y
- decreased by **21kmt** q-o-q

Aluminum: Q1-2020 Production & Sales

Aluminum



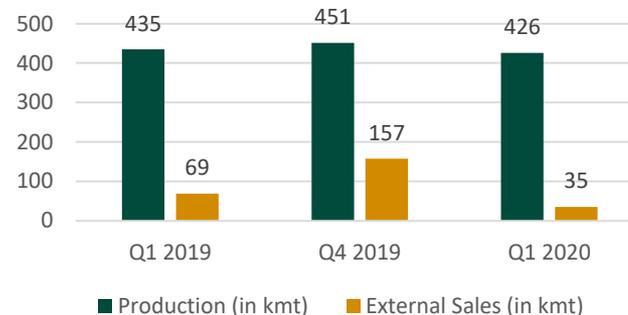
Volume of Cast House Products :

- increased by **11kmt** y-o-y
- decreased by **4kmt** q-o-q due to fluctuation metal supply

Sales :

- increased by **16kmt** y-o-y
- increased by **1kmt** q-o-q

Alumina



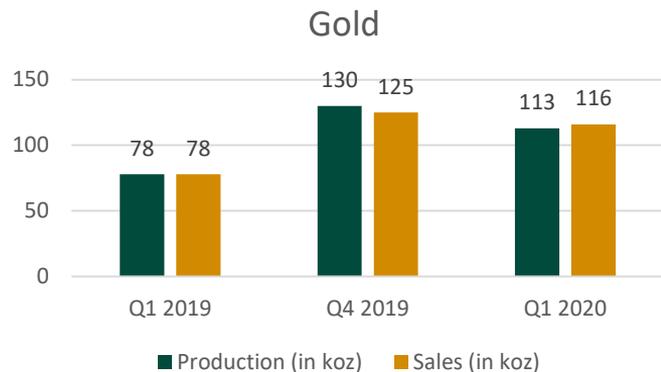
Production Volume :

- decreased by **9kmt** y-o-y
- decreased by **25kmt** q-o-q due to technical issues in refinery

External Sales Volume :

- decreased by **34kmt** y-o-y
- decreased by **122kmt** q-o-q due to lower shipment (no shipments in Jan & Feb)

Gold & Copper: Q1-2020 Production & Sales



Gold Production:

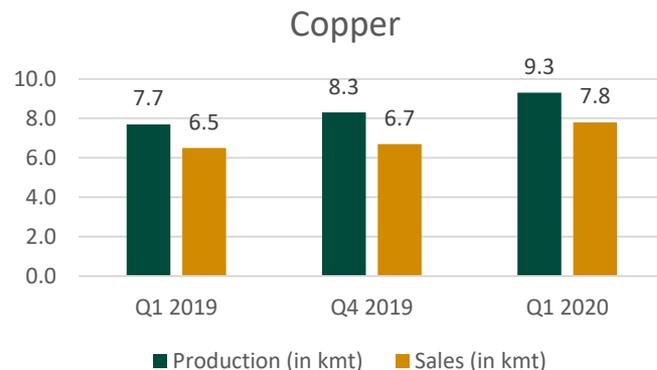
- Increased **35koz** y-o-y
(Due to higher production from higher gold grade and throughput)
- Decreased **17koz** q-o-q
(Due to lower milled throughput and gold grade in Ad Duwayhi)

Gold Sales:

- Increased **38koz** y-o-y (see above)
- Decreased **9koz** q-o-q

Realized prices per ounce of gold sold:

- increased by **\$280/oz** y-o-y (driven by market prices)
- increased by **\$67/oz** q-o-q (driven by market prices)



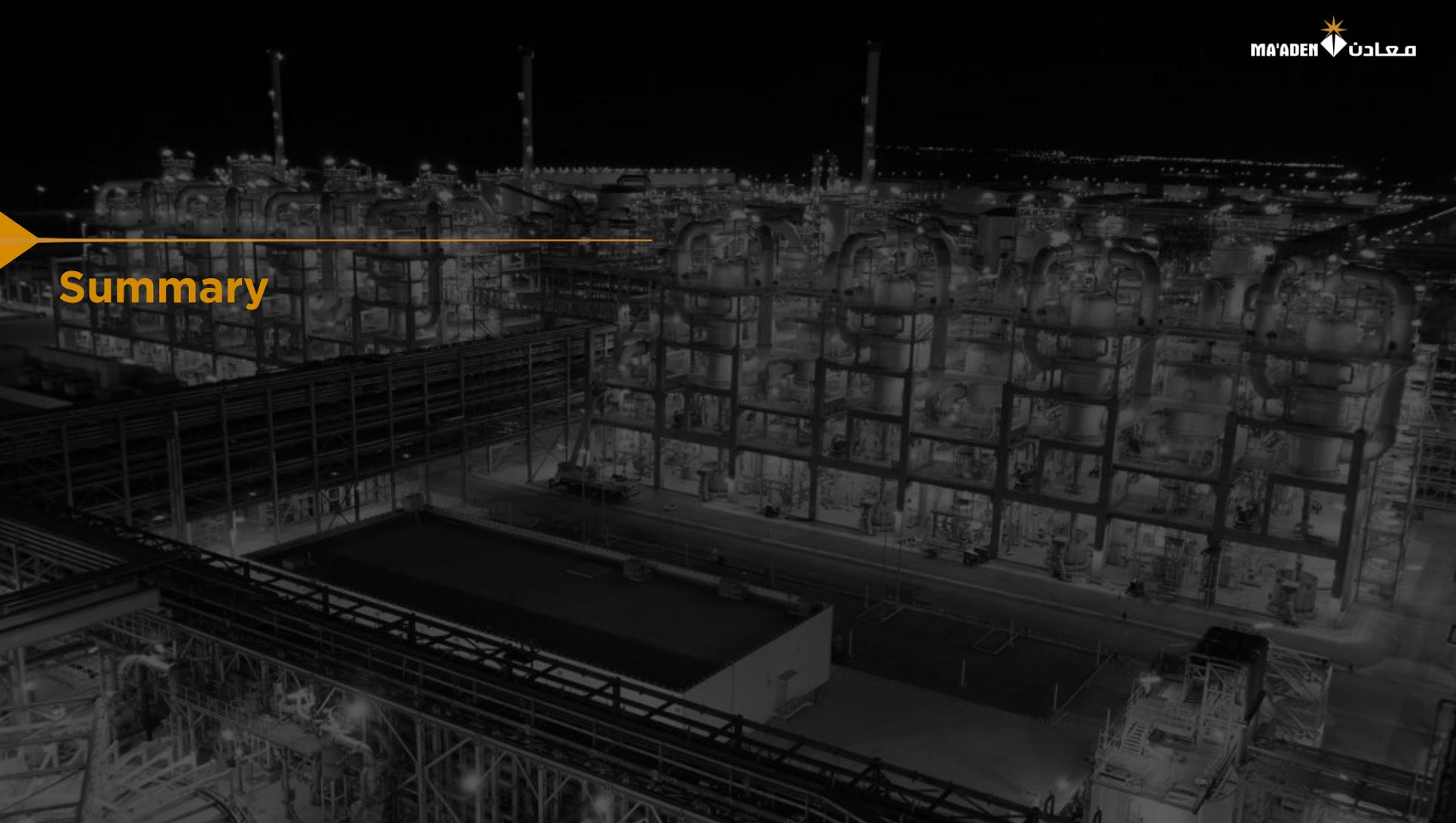
Copper Production :

- Up **1.6kmt** y-o-y (higher throughput offset by reduced grades)
- Up **1.0kmt** q-o-q (higher throughput)

Copper Sales :

- Up **1.3kmt** y-o-y
- Up **1.1kmt** q-o-q

Summary



Q1-2020 Summary

Covid-19 posed a variety of challenges

Covid-19 had a huge impact, but
Maaden is responding well ...

... and facing challenging market
conditions going forward!

Ma'aden responded well to Covid-19

- “Protect – Detect – Isolate” executed in line with Government guidance
- Vast majority of staff working remotely from home
- Ma'aden business operations running efficiently

Ma'aden incurred a Q1 net loss of SR0.64bn

- Lower commodity prices of all products - except gold and flat rolled product
- Lower sales volume in all products - except Ammonia and Meridian
- APF sales volume lower mainly due to technical fault in MWSPC
- Higher other expenses due to currency translation loss in Meridian

Outlook for demand mixed

- Aluminum and Alumina weak, might rebound in 2H2020
- Covid-19's impact on fertilizers is marginal
- Gold outlook remains positive

Q&A





Thank You