

Saudi Arabian Mining Company (Ma'aden)

Investor Presentation – Q1 FY23 Results

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PRESENTERS



Robert Wilt

Chief Executive Officer



Louis Irvine

Chief Financial Officer



Abdulaziz Alnaim

Investor Relations Director

Q1-FY23 PERFORMANCE



Revenue

SAR **8.05**_{bn}



Adj.. EBITDA¹

SAR **2.67**_{bn}



Net Profit²

SAR **0.42**_{bn}



EPS

SAR **0.17**



Operating Cash Flow

SAR **2.99**_{bn}



Net Debt/EBITDA

1.4x



Safety/EHSS

Fatal contractor incident at Ma'aden Aluminium in March 2023

AIFR 0.12 Q1-FY23



Operational Resilience

Record Phosphate volumes

100+ km drilled in Q1-FY23

Progressed with key projects: Ammonia 3, Aluminium pot relining, Mansourah-Massarrah

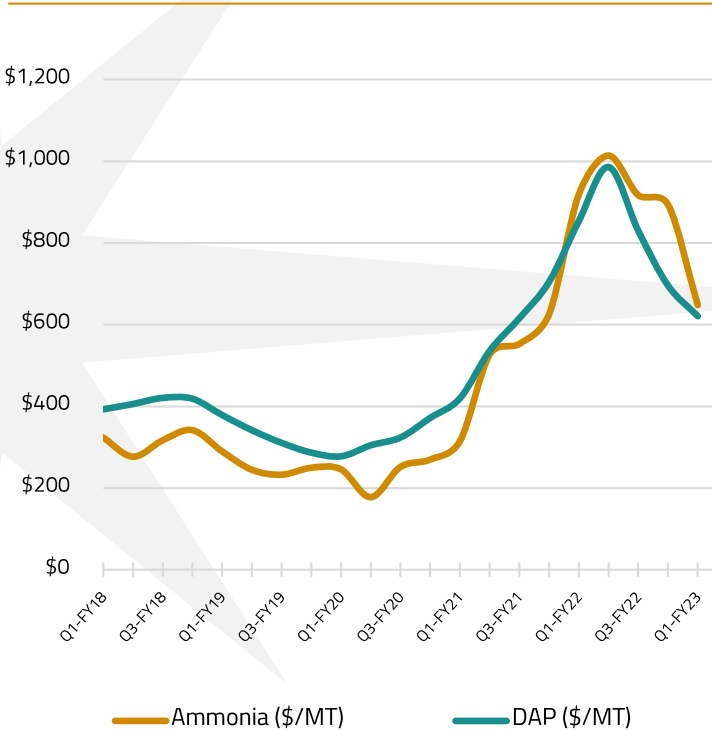
Resolution of industrial utility charge in Aluminium BU

1: Excluding one-off contractual costs and other adjustments in Aluminium BU | 2: Attributable to shareholders of the company

AVERAGE REALIZED COMMODITY PRICES

Prices easing off exceptionally strong period in 2022

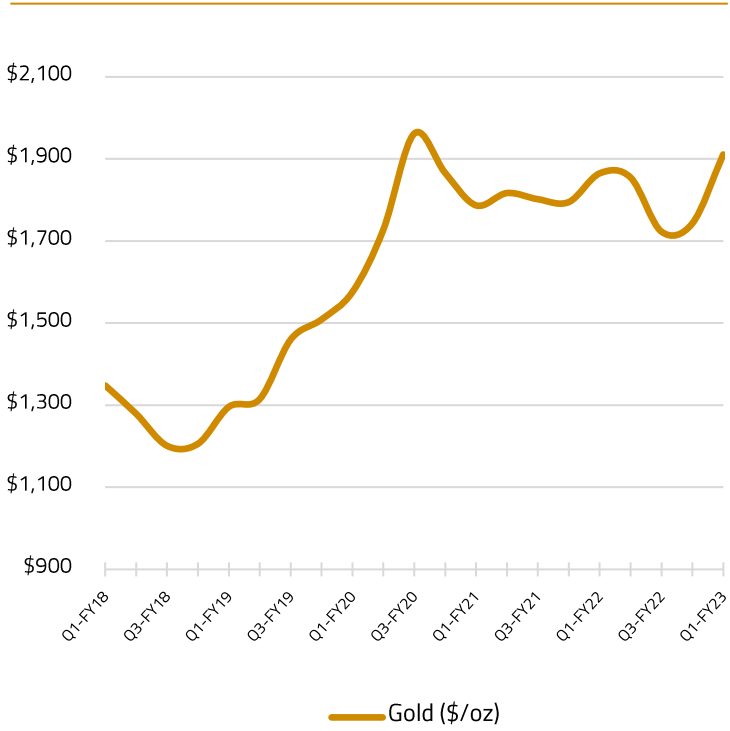
Ammonia & DAP



Aluminium



Gold



LEADING COST PROFILE: STRONG THROUGH-THE-CYCLE MARGINS



Phosphate BU



Aluminium BU

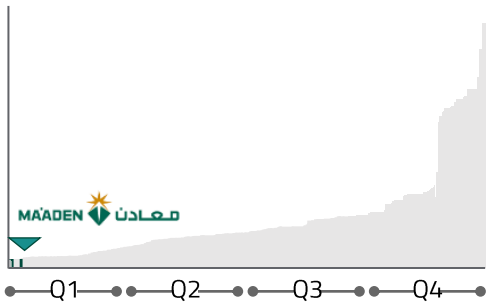


BM&NM BU

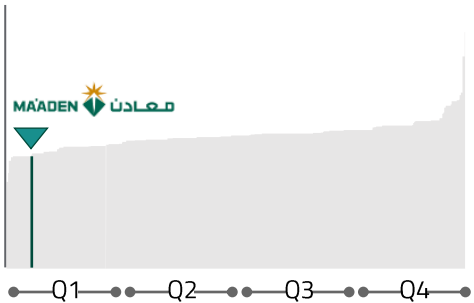
DAP cost curve¹



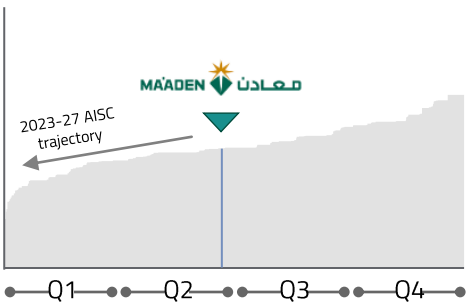
Ammonia cost curve¹



Aluminium cost curve²



Gold cost curve³



1: 3rd Party Publication (2022E) | 2: Aluminium C1 cost curve (2023E) as 3rd Party Publication
3: Gold Total + Sustaining Capex cost curve (2023E) as per 3rd Party Publication |

FURTHER PROGRESS ON OUR GROWTH STRATEGY

Operational Progress



Higher **fertilizer volumes**

Ammonia	Granular
↑ 9% YoY	↑ 34% YoY

Drilling at all-time high run-rate in Q1-FY23



Ammonia 3 production reaches nameplate capacity



Aluminium **pot relining** at Ras Al-Khair on track, completion expected by H1-FY23



Mansourah-Massarrah gold project set to commence commercial production in H2-FY23



Progressed **Phosphate 3** project, supported by MISA and Shareek agreements



Strategic Updates



Completed **investment in Ivanhoe Electric** (9.9% of common shares for US\$126.4mn)¹



Finalized **50/50 JV** for ground-breaking exploration in the Kingdom

Expanded JV with **Barrick Gold** unlocking value from highly prospective copper licenses



Partnership with **PIF** for global mining asset investments moving forward



1: Subject to closing conditions

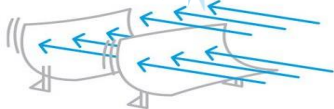
ENVIRONMENT, SUSTAINABILITY, AND GOVERNANCE

~3.2M tonnes

Annual Carbon
Emission
Avoidance¹



GlassPoint



CCU (Gulf Cryo)

- Prefeasibility study stage

Solar steam (GlassPoint)

- Prefeasibility study stage
- Small scale pilot under evaluation
- Land selection discussion with gov't entities

Aluminium scrap recycling

- Scrap market study stage
- Pre-feasibility study options by H2-FY23

~12M m³

Water Recovery
per year²



Water recovery plan

- Increasing treated water supply
- Ensure groundwater extraction reduction by 65% by 2040



Numu
Transformation
Program

Organizational de-layering

Next level of leadership based on an operating model introducing new ways of working in cross-functional teams on either permanent or project basis



Increase utilization of skills across Ma'aden and **avoid duplication**



Build **new capabilities**



Adopt a flatter organization to increase **efficiency and collaboration**



Increase **mobility and growth** opportunities



Promote **faster decision-making**



Increase **transparency**

EHSS PERFORMANCE

We are dedicated to protecting the safety and wellbeing of our workforce



Systems

Revise EHSS Management System (MHSEM) across all of Ma'aden in accordance with new Business Model



Culture

Initiate the EHSS assessment actions project and integrate them with Ma'aden's transformation program Numu

Focus on proactive risk-based approach

Transformation



Performance-based safety approach focuses on "Fix and Fix"



People



System

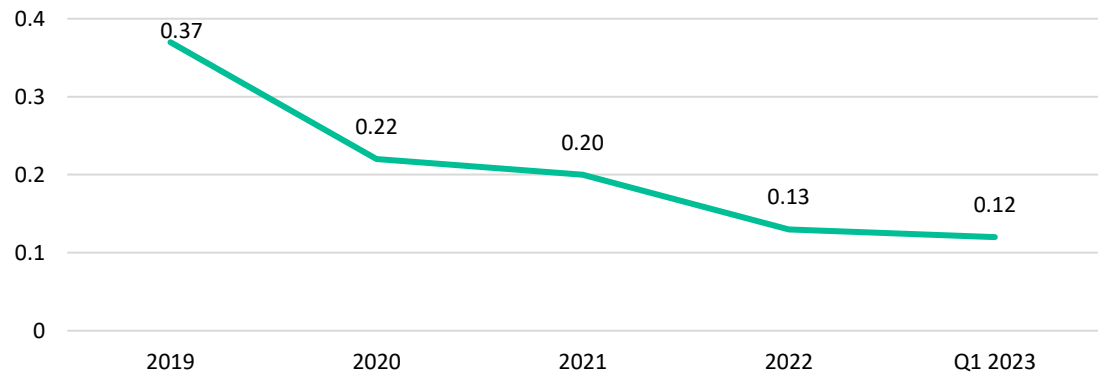


Process



Risk-based safety approach focuses on "Predict and Prevent"

All Injury Frequency Rate (AIFR) – FY-19 to Q1-FY23



- AIFR of 0.13 in FY-22 , 0.12 in Q1-FY23

FINANCIAL RESULTS

Louis Irvine

Chief Financial Officer



Q1-FY23 FINANCIAL RESULTS

Softening commodity prices and one-offs

(SAR million)

	QoQ		YoY	
	Q1-FY23	Q4-FY22	Q1-FY23	Q1-FY22
Revenue	8,045	9,472	8,045	8,914
		-15%		-10%
EBITDA	2,176	3,263	2,176	4,404
		-33%		-51%
Adj. EBITDA ¹	2,669	3,483	2,669	4,404
		-23%		-39%
Net profit <small>attributable to shareholders of the company</small>	419	1,016	419	2,172
		-59%		-81%
EPS ² (SAR)	0.17	0.41	0.17	0.88
		-59%		-81%
Adj. EPS ¹ (SAR)	0.37	0.48	0.37	0.88
		-23%		-58%

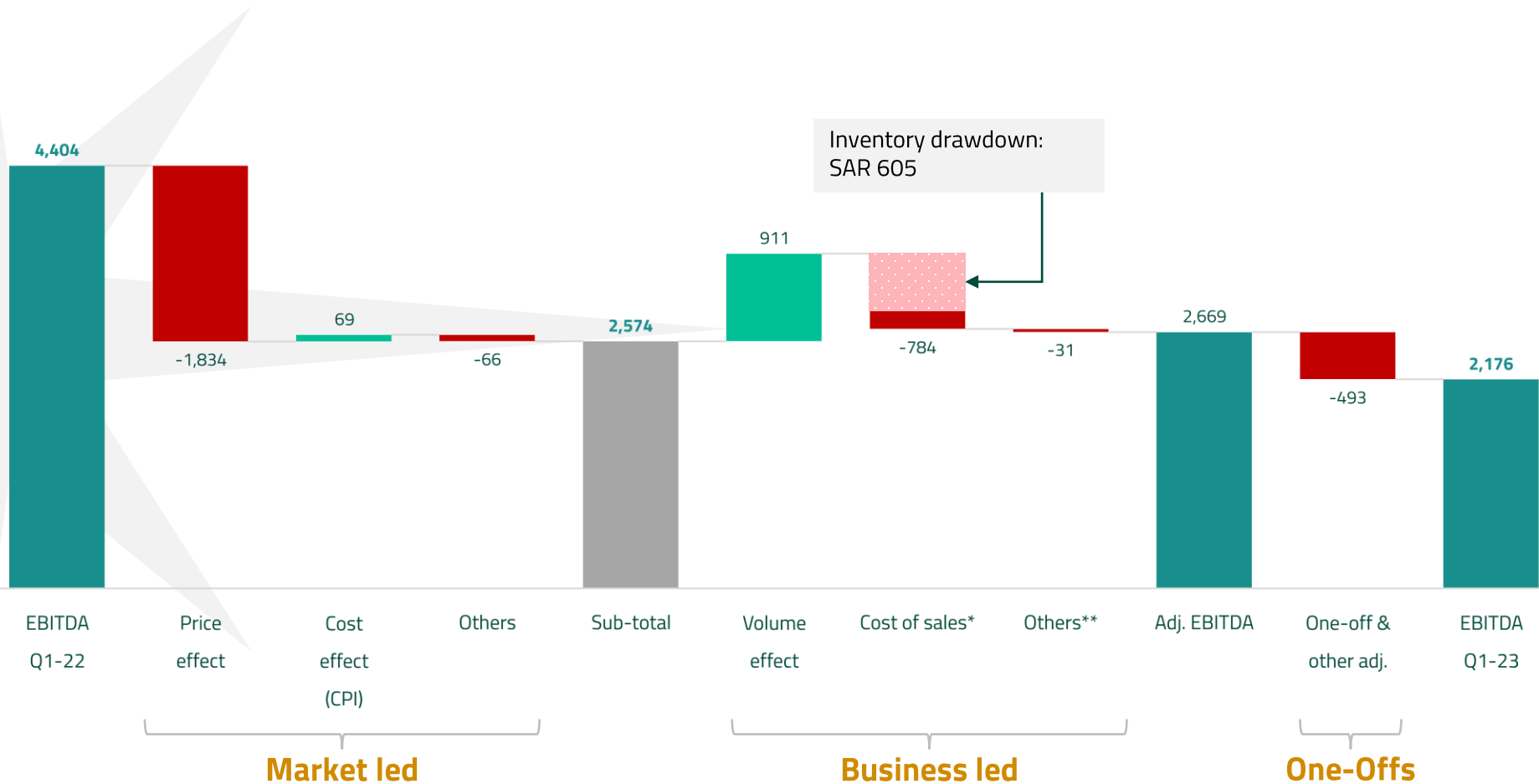
Highlights



- Lower commodity prices YoY except gold
- Higher raw material prices YoY and one-offs in Aluminium
- Strong cash generation supporting deleveraging
- Improved net debt and long-term borrowings

EBITDA BRIDGE (Q1-FY22 to Q1-FY23)

Lower commodity pricing and one-off adjustments



Highlights

- Lower prices of all products except Gold
- Higher sales volumes except Aluminium due to pot relining
- Inventory drawdown of SAR 605mn (DAP & Aluminium)
- Higher exploration and technical services attributed by higher drilling activities

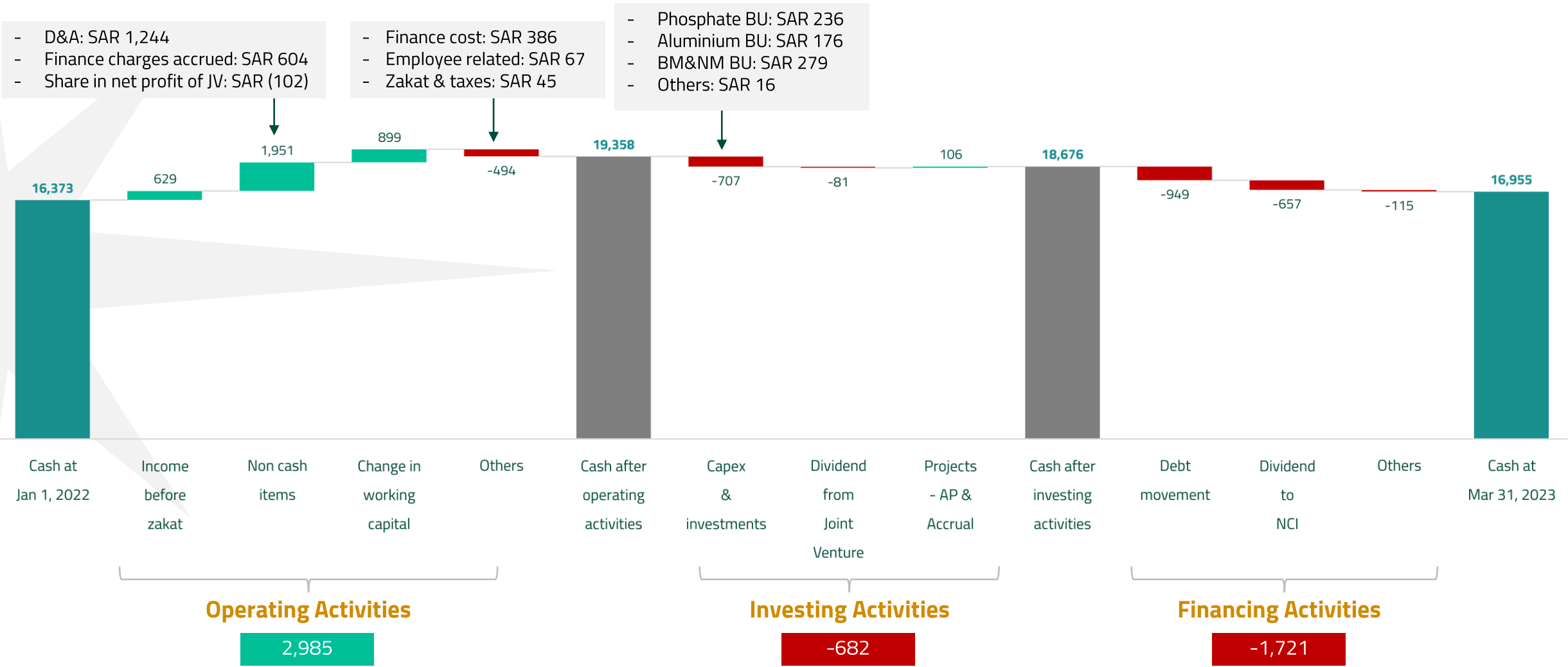
(SAR million)

*including change in inventory, excluding depreciation and amortization

**including exploration, G&A, S&M

STRONG CASH GENERATION FROM OPERATING ACTIVITIES

Cash balance up 4% from December 2022



(SAR million)

DELEVERAGING BALANCE SHEET AND REDUCING NET DEBT

Long-term Borrowing

FY20 48.3

FY21 46.8

FY22 41.2

Q1-FY23 40.5

Cash & Cash Equiv.

5.7

9.1

16.4

17.0

Net Debt

FY20 42.6

FY21 37.7

FY22 24.8

Q1-FY23 23.6

Net Debt/EBITDA

7.5

3.1

1.3

1.4

Highlights



- Financial position strengthened
- Long-term borrowings decreased by SAR 672mn
- Net debt down by 5%

PHOSPHATES

Contributed circa 67% of sales

Financial performance

(SAR million)	Q1-FY23	Q4-FY22	QoQ Variance	Q1-FY23	Q1-FY22	YoY Variance
Sales	5,415	6,551	-17%	5,415	5,536	-2%
EBITDA	2,436	3,246	-25%	2,436	3,145	-22%
EBITDA margin	45%	50%	-5pp	45%	57%	-12pp

Production performance

(kmt)	Q1-FY23	Q4-FY22	QoQ Variance	Q1-FY23	Q1-FY22	YoY Variance
DAP	1,534	1,272	+21%	1,534	1,143	+34%
Ammonia	774	838	-8%	774	711	+9%

Sales volumes

DAP	1,477	1,289	+15%	1,477	1,060	+39%
Ammonia	449	653	+31%	449	351	+28%

Highlights



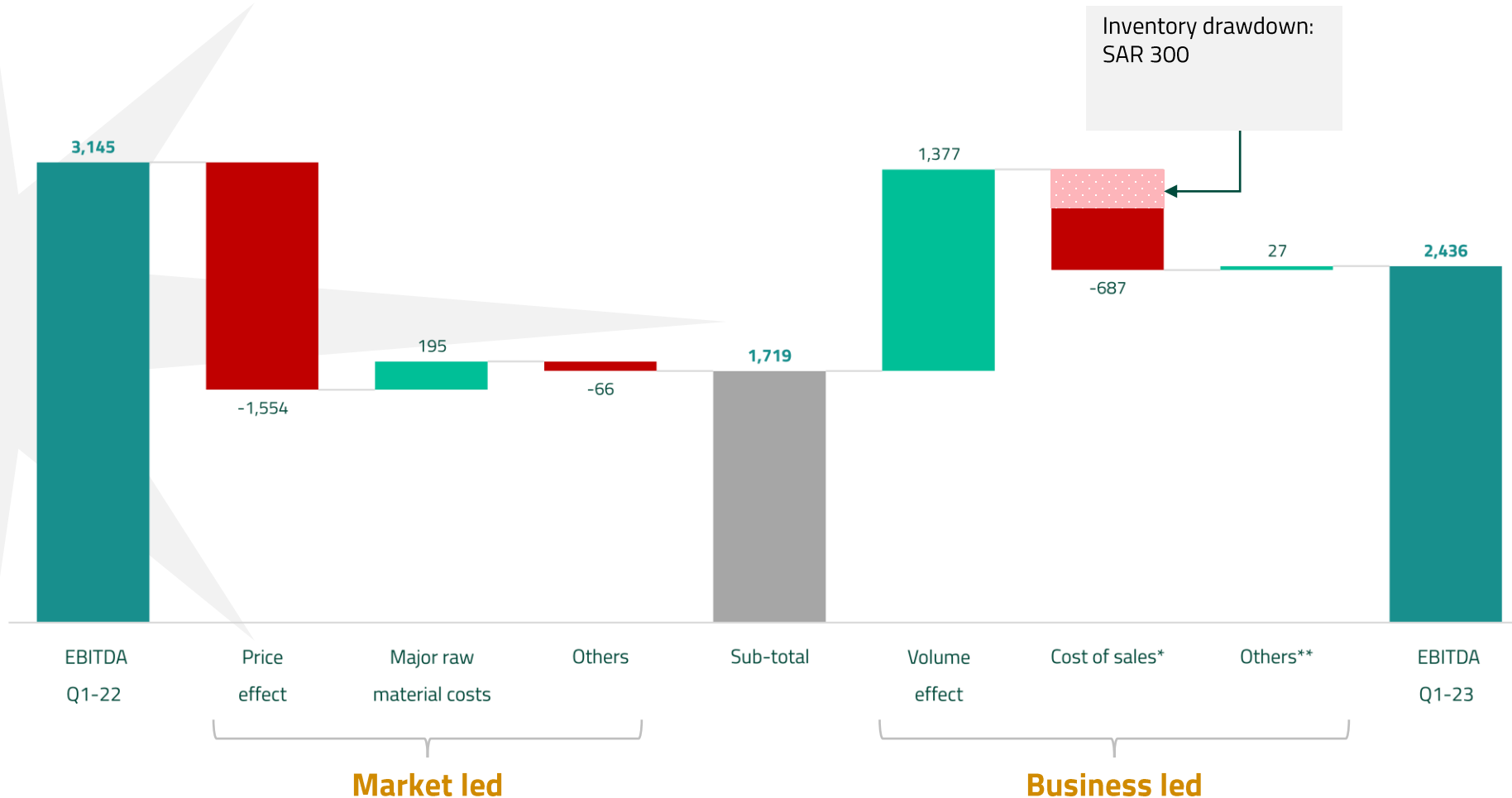
- Softening of Phosphate prices impacted revenue and EBITDA
- Higher production volumes of DAP partially compensated the lower prices
- Essential warranty maintenance of Ammonia 3 decreased the production compared to last quarter

Average Realized Prices

	Q1-FY23	Q4-FY22	Q1-FY22	QoQ Variance	YoY Variance
Ammonia (\$/MT)	648	894	919	-28%	-29%
DAP (\$/MT)	621	696	854	-11%	-27%

PHOSPHATE EBITDA BRIDGE (YoY)

Higher volumes offsetting softer pricing environment



(SAR million)

*includes inventory movements, excluding depreciation and amortization

**including exploration, G&A, S&M

Highlights



- Lower prices of DAP and Ammonia, offset by higher sales volumes
- Lower price of Molten Sulfur due to normalization of market
- Higher cost of sales due to sales through inventory

ALUMINIUM

Contributed circa 26% of sales

Financial performance

(SAR million)	Q1-FY23	Q4-FY22	QoQ Variance	Q1-FY23	Q1-FY22	YoY Variance
Sales	2,080	2,313	-10%	2,080	2,797	-26%
EBITDA	(281)	45	--	(281)	1,116	--
EBITDA margin	nm	2%	--	nm	40%	--
Adj. EBITDA*	212	265	-20%	212	1,116	-81%
Adj. EBITDA* margin	10%	11%	-1pp	10%	40%	-30pp

Production performance

(kmt)	Q1-FY23	Q4-FY22	QoQ Variance	Q1-FY23	Q1-FY22	YoY Variance
Alumina	372	450	-17%	372	416	-10%
Aluminium	185	220	-16%	185	239	-23%
FRP	73	78	-6%	73	76	-3%

Sales volumes

Alumina	167	67	+149%	167	39	+328%
Aluminium	83	129	-36%	83	137	-39%
FRP	77	82	-6%	77	75	+3%

*Normalized EBITDA

Highlights



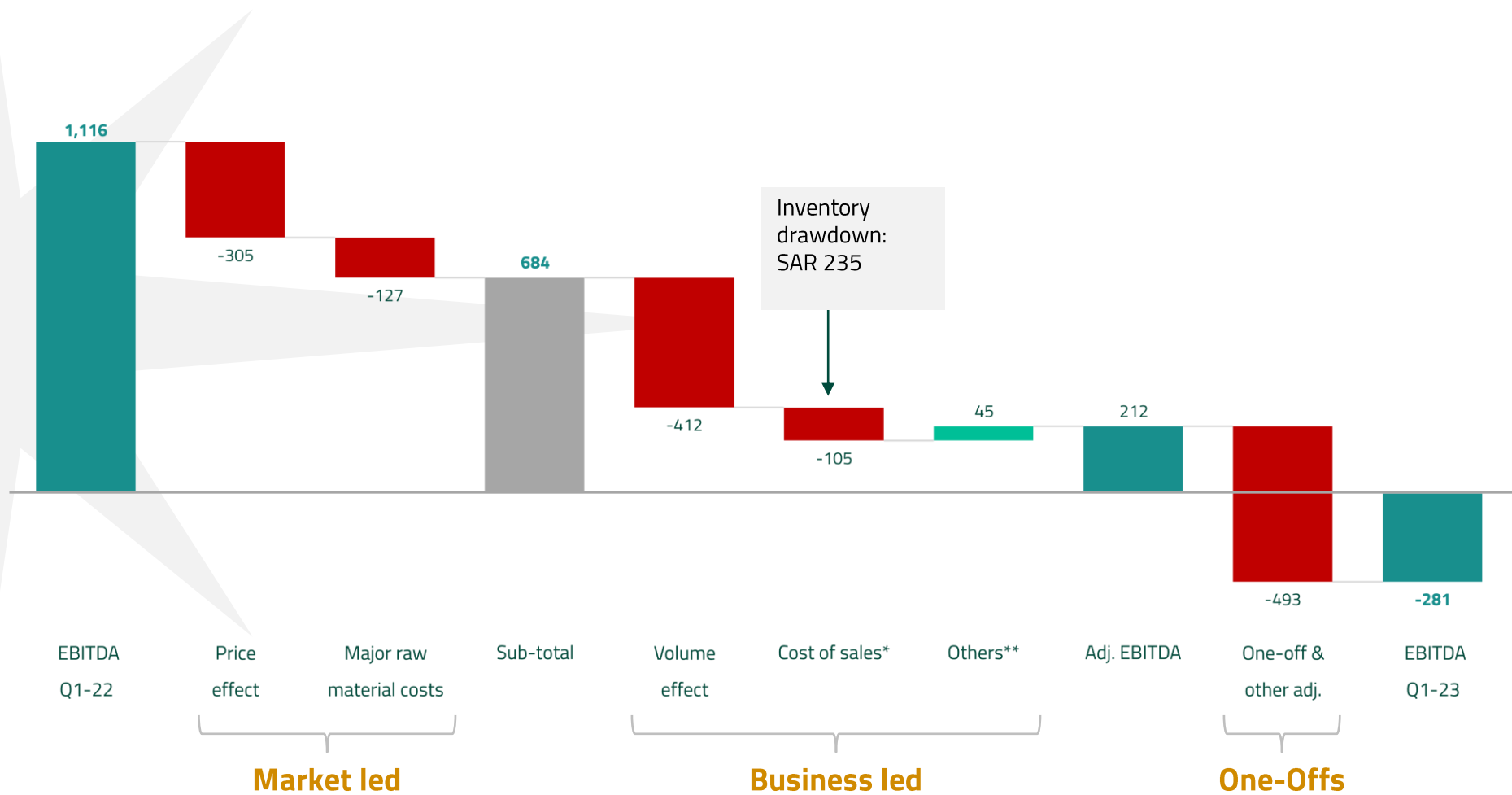
- Higher raw material prices
- One-off industrial utility charges related to prior periods (2021-2022)
- Pot relining at smelter on track

Average Realized Prices

	Q1-FY23	Q4-FY22	Q1-FY22	QoQ Variance	YoY Variance
Alumina (\$/MT)	356	323	406	+10%	-12%
Aluminium (\$/MT)	2,517	2,384	3,105	+6%	-19%
FRP (\$/MT)	3,747	3,477	4,066	+8%	-8%

ALUMINIUM EBITDA BRIDGE (YoY)

Softer commodity prices, higher raw material costs, and one-offs



(SAR million)

*including change in inventory, excluding depreciation and amortization

**including exploration, G&A, S&M

Highlights



- Unfavorable commodity prices along with higher raw material prices
- Higher operating costs mainly related to maintenance
- Industrial utilities one-off

BASE METALS & NEW MINERALS

Contributed circa 7% of sales

Financial performance

(SAR million)	Q1-FY23	Q4-FY22	QoQ Variance	Q1-FY23	Q1-FY22	YoY Variance
Sales	541	599	-10%	541	581	-7%
EBITDA	215	139	+55%	215	259	-17%
EBITDA margin	40%	23%	+17pp	40%	45%	-5pp

Production performance

(Koz)	Q1-FY23	Q4-FY22	QoQ Variance	Q1-FY23	Q1-FY22	YoY Variance
Gold	75	92	-18%	75	83	-10%

Sales volumes

Gold (Koz)	Q1-FY23	Q4-FY22	QoQ Variance	Q1-FY23	Q1-FY22	YoY Variance
Gold (Koz)	75	92	-18%	75	83	-10%

Highlights



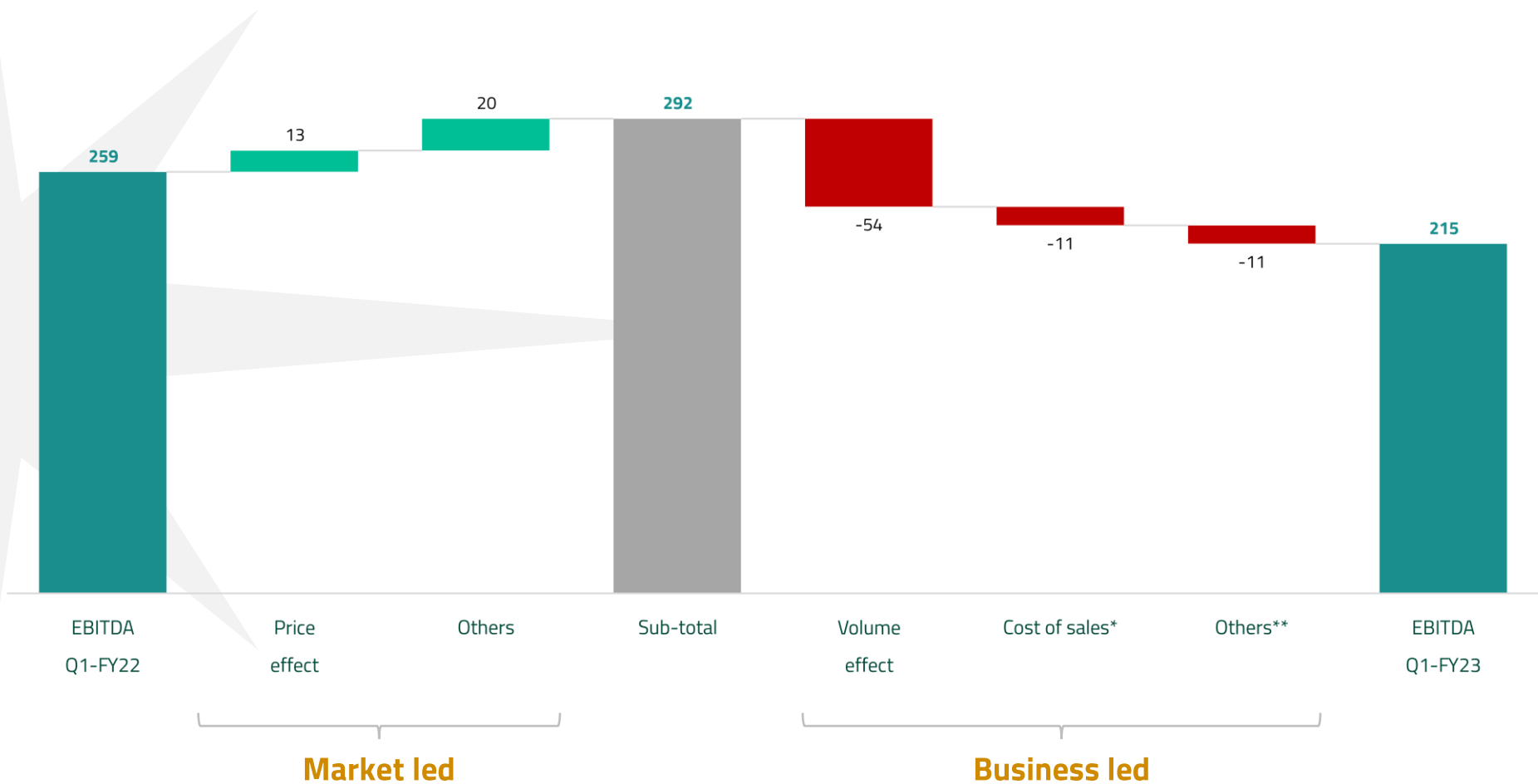
- Higher average realized prices QoQ and YoY
- Mansourah-Massarrah on track for commercial production and full year guidance maintained
- Lower production due to lower grades

Average Realized Prices

	Q1-FY23	Q4-FY22	Q1-FY22	QoQ Variance	YoY Variance
Gold (\$/oz)	1,911	1,743	1,865	+10%	+2%

BASE METALS & NEW MINERALS EBITDA BRIDGE (YoY)

Decrease of 17% YoY due to lower production, partially offset by higher realized price



Highlights






- Gold prices maintain up trend
- Negative volume effect due to lower mine grades from some older mines

(SAR million)
*including change in inventory, excluding depreciation and amortization
**including exploration, G&A

CAPITAL ALLOCATION FRAMEWORK

Strategically deploying and investing capital for long-term sustainable growth

Alignment with Vision 2030		
Strengthen KSA’s presence in the global supply chain, contribute to economic diversification and growth, and solidify its position in the metals of the future		
<div><div>Commitment to Saudi Arabia</div><div></div><div><ul style="list-style-type: none">Organic growth and development of near-term growth projectsJVs and partnerships to accelerate exploration and build mining ecosystem in KSA</div><div><div>SAR ≈3.1bn</div><div>CAPEX</div><div>(Growth & Sustaining)</div></div><div><div>SAR 500mn</div><div>Exploration</div></div></div>	<div><div>Invest in global mining assets</div><div></div><div><ul style="list-style-type: none">Strategic JV with the PIF to invest in global mining assets on a shared-risk basis (51% Ma’aden 49% PIF)Access to transactions and future deal flow to secure critical materialsFocus on value accretive and earnings enhancing options</div><div><div>Up to</div><div>SAR 6bn</div><div>Investment</div></div></div>	<div><div>Strengthen balance sheet</div><div></div><div><ul style="list-style-type: none">Further reduce outstanding debt to strengthen overall financial positionFlexibility to capture future market opportunities and respond to challengesNo set cash dividends at this time</div><div><div>2x ↔ 3x</div><div>Net Debt/EBITDA</div></div><div><div>30% ↔ 40%</div><div>Debt/Capital</div></div></div>
Maximize long-term value for shareholders and all stakeholders		

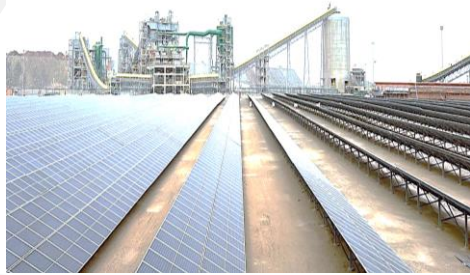
OUTLOOK

Robert Wilt

Chief Executive Officer



NEAR-TERM GROWTH PROJECTS



Mansourah-Massarrah

250k ounces per annum

- Ma'aden's largest gold project to date
- Inaugural gold pour completed
- Commissioning activities started
- Initial commercial production in H2-FY23

2023

- EPCM awarded for Phase 1

Phosphate 3

Phase 1 – 2025

Phase 2 – 2027

3 Mt per annum

2025



Mahd Ad Dhahab Expansion

≈ 200k ounces per annum

2026

Aluminium

- Line 1 & 2 expansion
- ≈ 90 KMT per annum

2027

Ar Rjum

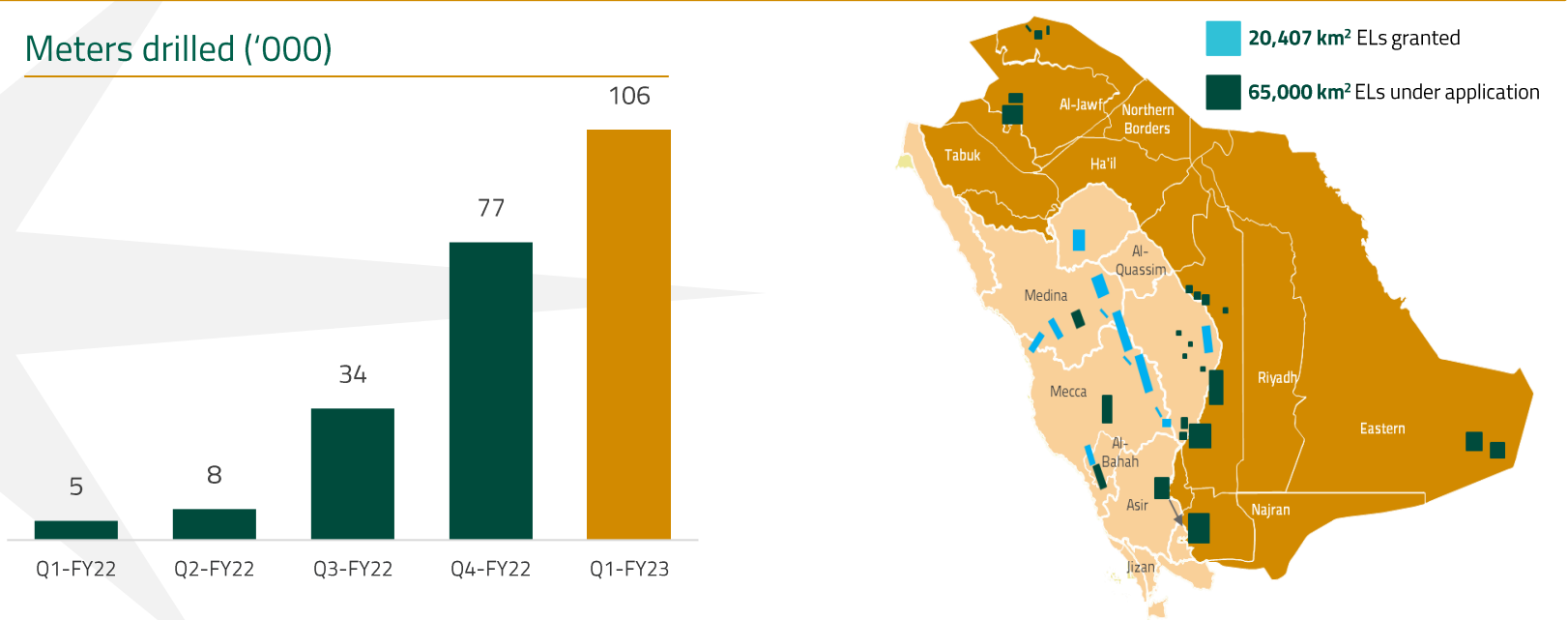
≈ 200k ounces per annum

Execution

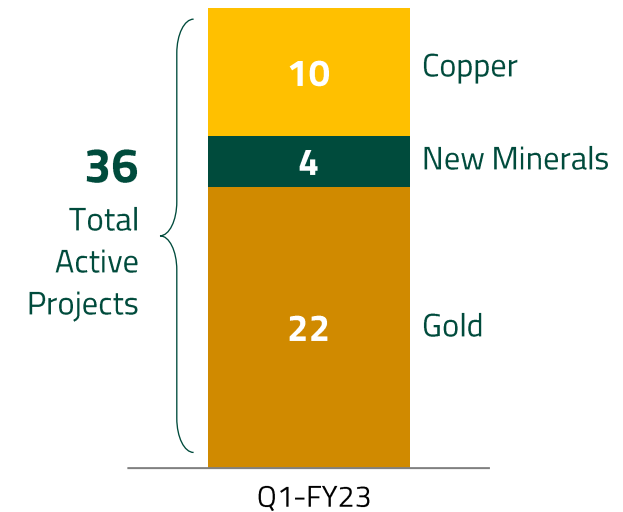
Study

FIRST-CLASS ASSET BASE WITH STRONG EXPLORATION FOCUS

Saudi Mining Champion – extensive diversified license portfolio presents a unique opportunity, building on existing assets and infrastructure with selected partners to explore the whole Kingdom



Increased intensity of exploration adding resources



3.5 Moz Gold resource additions in last two years
1.3+ Moz expected to be added in 2023



Typhoon™: Unlocks hidden deposits, surpasses conventional surveying limitations.

Advanced **Computational Geoscience Inc.** software to seek hidden mineral deposits in the Saudi desert

PRODUCTION AND CAPEX GUIDANCE

Guidance maintained for 2023

PRODUCTION FORECAST 2023

		Lower	Upper
DAP Equivalent	KMT	4,900	5,600
Ammonia	KMT	3,100	3,500
Alumina	KMT	1,600	1,825
Aluminium	KMT	780	940
Flat Rolled	KMT	290	340
Gold	Koz	360	420




CAPEX GUIDANCE*

		Lower	Upper
Sustaining CAPEX	SAR (mn)	1,400	1,700
Growth CAPEX	SAR (mn)	1,350	1,600

**excludes exploration CAPEX of ~SAR500mn*

2023 OUTLOOK

Low-cost profile and exploration focus to deliver resilience through commodity cycles

Markets		Ma'aden Positioning
 Phosphates	<u>Ammonia</u> <ul style="list-style-type: none">• Lower demand due to lower industrial production• Lower gas prices in Europe	<ul style="list-style-type: none">• Leverage leading production capabilities, incl Ammonia 3• Focus on cost efficiencies and targeted global sales• Secured global customer base to mitigate risk• Cost competitive position
	<u>Granulated Fertilizer</u> <ul style="list-style-type: none">• High inventory levels and lower affordability• Chinese production coming to market	
 Aluminium	<ul style="list-style-type: none">• Continued supply side disruptions• Slow recovery in Chinese economy and rest of world	<ul style="list-style-type: none">• Maintain cost competitiveness• Return to full capacity in H2-FY23 post-pot relining program
 Base Metals & New Minerals	<ul style="list-style-type: none">• Positive momentum in gold prices building up• Demand recovery and easing supply disruptions• Copper fundamentals remain strong	<ul style="list-style-type: none">• Mansourah-Massarrah ramping up in H2-FY23• Strategic partnerships and exploration program• Higher production from short-life mines

Q&A



Robert Wilt

Chief Executive Officer

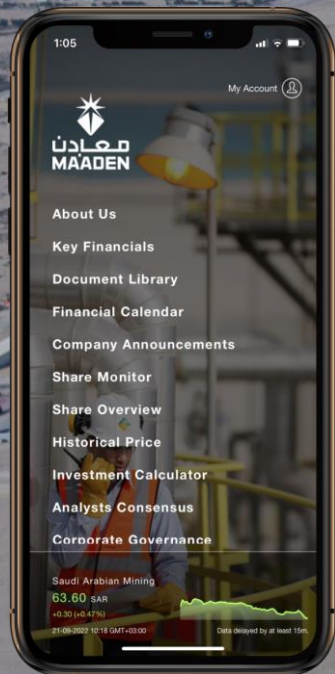


Louis Irvine

Chief Financial Officer

THANK YOU

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