

TASI

# MINING SECTOR

## 2Q26 Financials Review

Both companies saw pressure on volumetric sales, albeit for different reasons. MAADEN AB's phosphate volumes got hit due to closure of the Strait of Hormuz, while AMAK AB saw volumes decline on AlMasane mine suspension and lower gold sales. Product prices realized were better due to tight commodity markets, however margin pressures mounted alongside as raw material costs surged. We **maintain** our HOLD call on **MAADEN AB** and BUY call on **AMAK AB**.

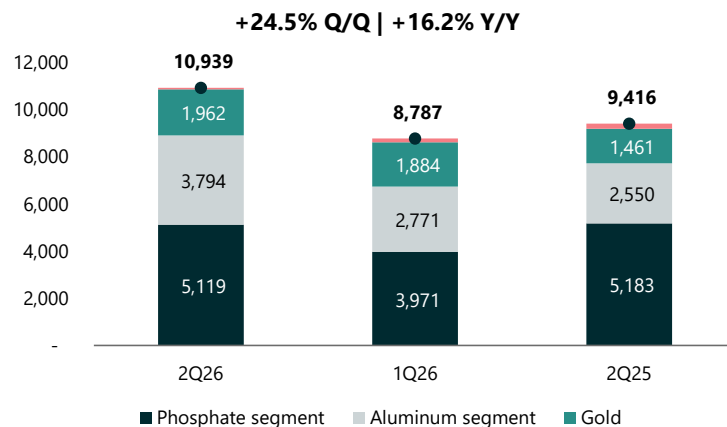
| Stocks covered | Rating        | Target Price |
|----------------|---------------|--------------|
| MAADEN AB      | Maintain HOLD | SAR 60       |
| AMAK AB        | Maintain BUY  | SAR 91       |



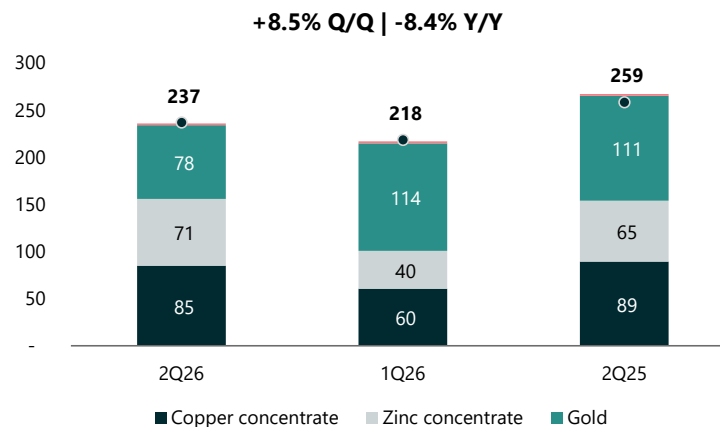
# REVENUE

MAADEN AB's revenue was supported by pricing, while AMAK AB got impacted by lower gold volume despite better pricing

MAADEN segment-wise revenue (SAR mn)

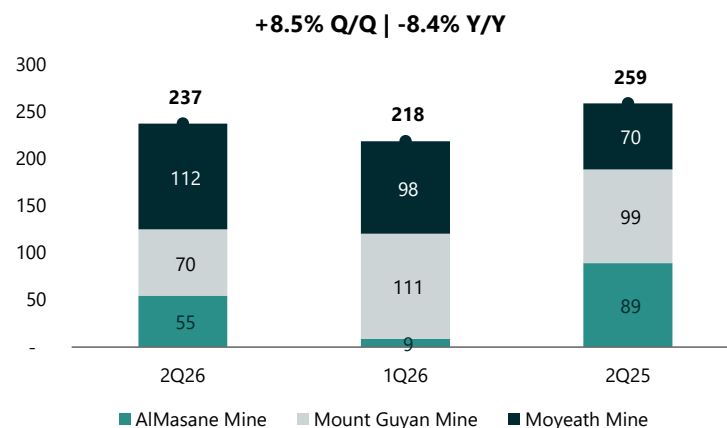


AMAK segment-wise revenue (SAR mn)



- MAADEN AB's revenue increased 24.5% Q/Q and 16.2% Y/Y, mainly due to improvement in realized prices across all segments. Key contributors to revenue growth were the Aluminum and Gold segments, as the Phosphate segment's volumes remained under pressure due to tight sulfur supply and curtailed Ammonia production.
- AMAK AB's revenue increased 8.5% Q/Q and declined 8.4% Y/Y. Zinc and Copper revenue supported overall revenue on Q/Q and Y/Y basis due to i. Better pricing Y/Y and Q/Q and ii. Resumption of AlMasane mine in 2Q. However, gold sold volumes declined during the quarter as evident by lower gold revenue Q/Q and Y/Y.

AMAK mine-wise revenue (SAR mn)



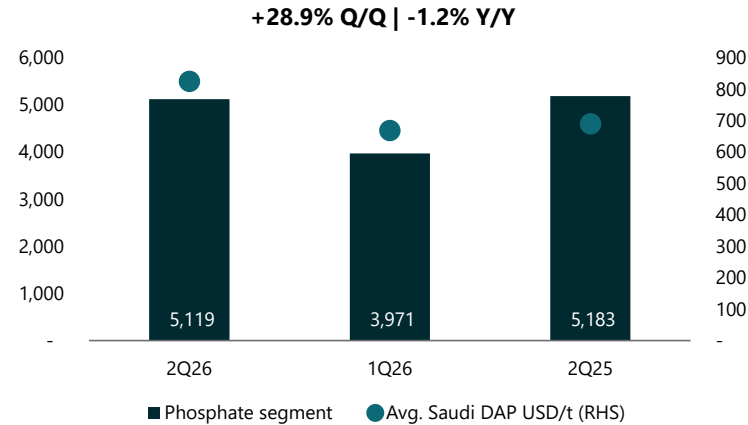
Resumption of AlMasane mine and ramp-up of Moyeath plant helped AMAK benefit from higher product prices

- AMAK AB's AlMasane mine (base metals processing unit) was suspended from 22<sup>nd</sup> Jan – 13<sup>th</sup> May, which had resulted in a sharp decline in the mine's revenue for Copper and Zinc concentrate in 1Q.
- The resumption during the quarter drove AlMasane mine's revenue higher on Q/Q basis, while still remaining 38% lower Y/Y.
- Mount Guyan mine's revenue declined 37% Q/Q and 29% Y/Y. The Y/Y decline despite higher gold prices and sharp Q/Q decline indicates either i) that the mine's output declined during the quarter or ii) the management did not choose to sell output shipped to the agent, expecting increase in gold prices.
- Moyeath mine remained the primary revenue driver, with its revenue up by 14% Q/Q and 60% Y/Y, supported by both higher product pricing and higher concentrate output.

# MAADEN SEGMENTAL REVENUE

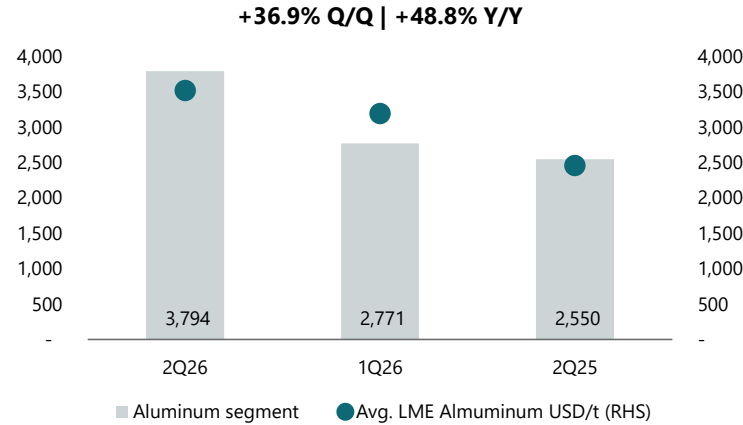
All of MAADEN AB's segments saw growth due to higher prices, although phosphate segment's revenue was impacted by lower volumes

MAADEN phosphate segment revenue (SAR mn)



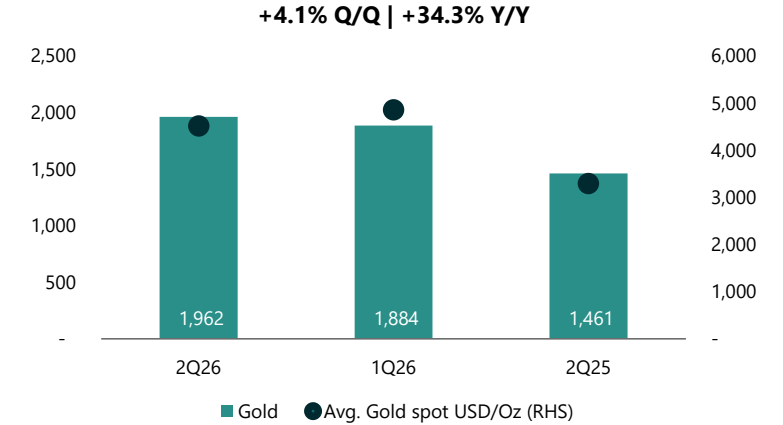
- Phosphate segment revenue **increased 28.9% Q/Q** and **declined 1.2% Y/Y**. Revenue increased Q/Q despite lower production during the quarter as i) previous quarter inventory was utilized and ii) Avg. benchmark DAP price was up 24% Q/Q and 20% Y/Y while average benchmark Ammonia price was up 41% Q/Q and 150% Y/Y. Y/Y decline in revenue was due to lower production.
- Volumetric sales of DAP were up 14% Q/Q and down 14% Y/Y while Ammonia volumes were down 90% Q/Q and 94% Y/Y.
- Production was severely impacted due to i) **lower Sulphur availability** in the market given disruption in crude oil output due to the Strait of Hormuz closure and ii) **Difficulty in diverting Ammonia output** to alternate ports resulting in Ammonia production decline.
- DAP output declined 28% Q/Q and Y/Y while Ammonia output declined 60% Q/Q and 64% Y/Y.

MAADEN aluminum segment revenue (SAR mn)



- Aluminum segment revenue **increased 36.9% Q/Q** and **48.8% Y/Y**, primarily due to higher prices, and higher shipments.
- Avg. benchmark Aluminum price was up 10.2% Q/Q and 43.1% Y/Y, while avg. benchmark Alumina price was up 1% Q/Q and down 9.1% Y/Y.
- External volumetric sales of alumina were up 25% Q/Q and 20% Y/Y while primary aluminum volumetric sales were up 23% Q/Q and 19% Y/Y.
- Aluminum production declined by 2% Q/Q and Y/Y while Alumina production declined by 7% Q/Q and 6% Y/Y.

MAADEN gold segment revenue (SAR mn)

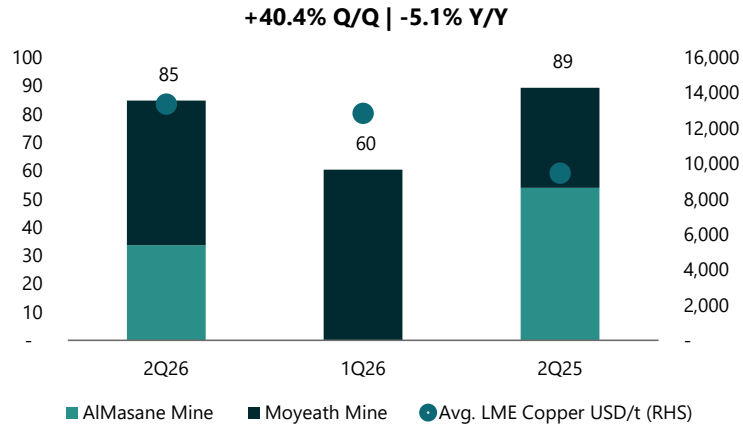


- Gold revenue was **up 4.1% Q/Q** and **34.3% Y/Y**, due to higher volumes as well as higher price Y/Y.
- The Q/Q increase in revenue was due to higher volume as avg. benchmark gold price declined 7.1% Q/Q. On Y/Y basis, avg. benchmark gold price was **up by 37.2%**.
- Gold volumetric sales were **up 13% Q/Q** and **flat Y/Y**.
- Gold production **increased 13% Q/Q** and **10% Y/Y** to 118k Oz.

# AMAK SEGMENTAL REVENUE

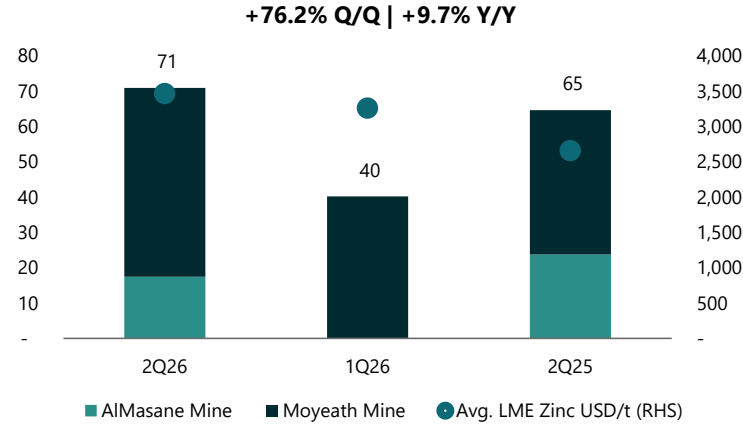
Base metals drove revenue due to higher prices and AlMasane mine resumption, while gold volume sold declined

AMAK copper concentrate revenue (SAR mn)



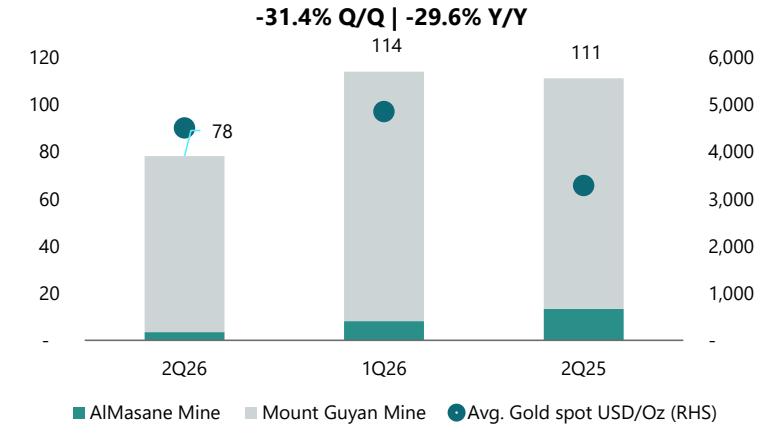
- AMAK AB's copper concentrate revenue increased 40.1% Q/Q and declined 5.1% Y/Y.
- Key reason for the Y/Y decline in revenue was the **suspension of AlMasane mine from 22nd Jan – 13th May**, offset partially by 41.3% Y/Y increase in average benchmark copper prices. The Q/Q recovery was driven by the resumption of AlMasane mine during the quarter.
- Copper TC/RC remained on downtrend with spot prices becoming negative, resulting in further support to copper concentrate revenue.
- AlMasane mine revenue **declined 38% Y/Y and recovered from no revenue in 1Q26** to SAR 34mn.
- Moyoeth mine revenue **increased 44% Y/Y and declined 15% Q/Q** to SAR 51mn.

AMAK zinc concentrate revenue (SAR mn)



- AMAK AB's zinc concentrate revenue increased 76.2% Q/Q and 9.7% Y/Y.
- Recovery was largely driven by the resumption of AlMasane mine during the quarter. **Average benchmark zinc prices were up 30% Y/Y and 6% Q/Q.**
- AlMasane mine revenue **declined 27% Y/Y and recovered from no revenue in 1Q26** to SAR 17mn.
- Moyoeth mine revenue **increased 31% Y/Y and 33% Q/Q** to SAR 53mn.

AMAK gold revenue (SAR mn)

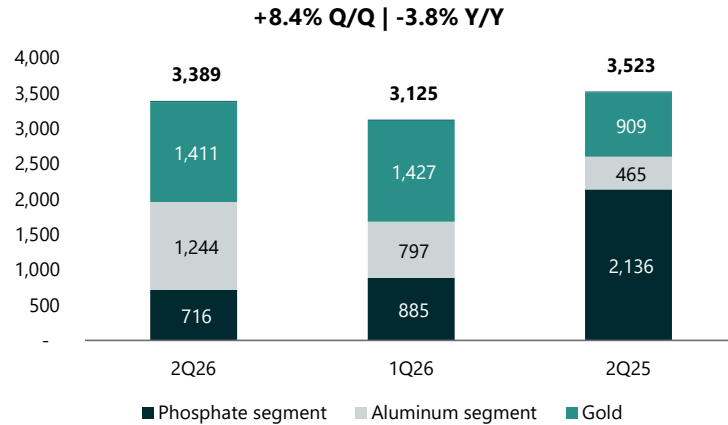


- AMAK AB's gold revenue declined by 31.4% Q/Q and 29.6% Y/Y.
- Average gold price increased by 37% Y/Y and declined 7.1% Q/Q, while Mount Guyan mine revenue **declined by 24% Y/Y and 29% Q/Q** to SAR 75mn.
- The decline in revenue indicates lower sold volumes. The possible reasons are i) Guyan mine output declined during the quarter or ii) The company deliberately withheld volumetric sales after gold prices declined in 2Q, expecting a recovery in prices.

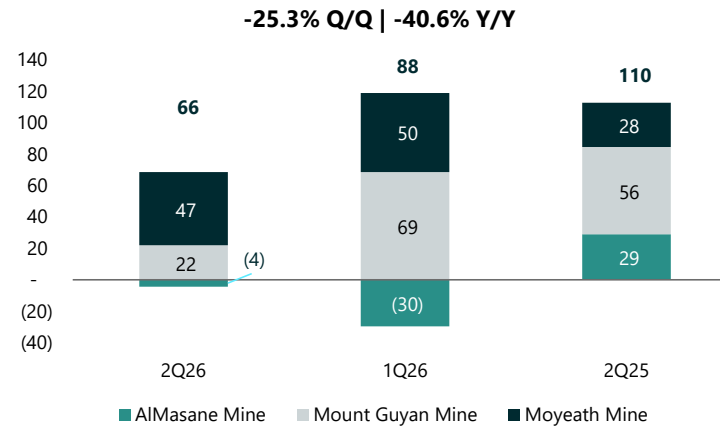
# GROSS PROFIT

Aluminum and Gold segment performance offset sharp pressure on Phosphate segment for MAADEN; AMAK's gross profit declined sharply

MAADEN Gross Profit (SAR mn)

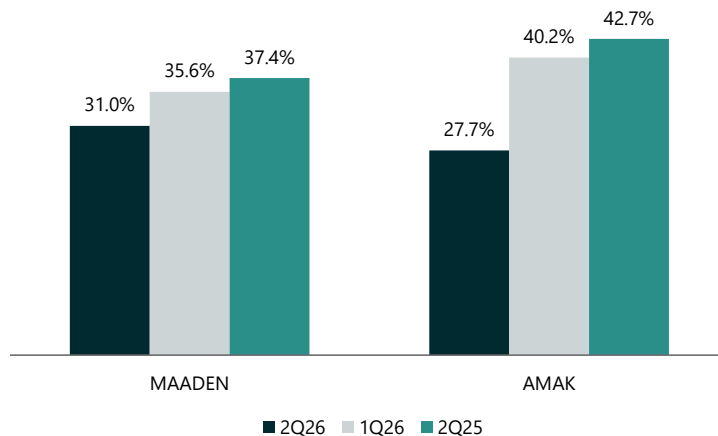


AMAK Gross Profit (SAR mn)

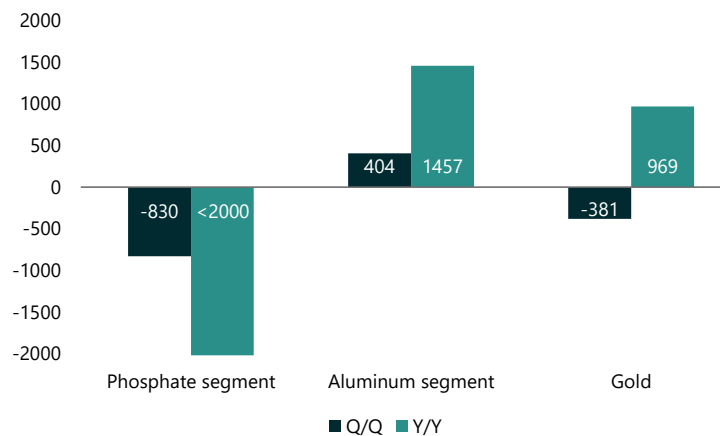


- Gross margin declined for both companies; MAADEN AB's gross margin declined by 459bps Q/Q and 644bps Y/Y to 31.0%, while AMAK AB's gross margin declined by 12.5ppts Q/Q and 15ppts Y/Y to 27.7%.
- MAADEN AB saw sharp contraction in phosphate segment gross margins, which declined by 8.3ppts Q/Q and 27.2ppts Y/Y to 14.0%. Key reasons for the contraction were i) lower volumes sold for both DAP and Ammonia and ii) sharp increase in average sulfur prices, estimated at +>36% Q/Q and >2.5x Y/Y.
- MAADEN AB's Aluminum segment gross margin increased by 404bps Q/Q and 14.5ppts Y/Y, due to better product pricing, with avg. LME Aluminum +10% Q/Q and +43% Y/Y. Gold gross margin declined 381bps Q/Q and increased 969bps Y/Y. This was mainly due to gold price movement; benchmark avg. -7% Q/Q, +37% Y/Y.
- AMAK AB's gross margins were driven by product price movements and output from AlMasane mine and Mount Guyan mine. AlMasane mine gross margin recovered to -8% from deeply negative in 1Q26 and declined 40ppts Y/Y due to the suspension. Mount Guyan mine gross margin declined 30.4ppts Q/Q and 24.7ppts Y/Y, due to decline in sold volume and likely higher cyanide costs. Moyeath mine gross margin dropped 976bps Q/Q likely due to lower output.

Gross Margin



MAADEN Gross Margin change (bps)



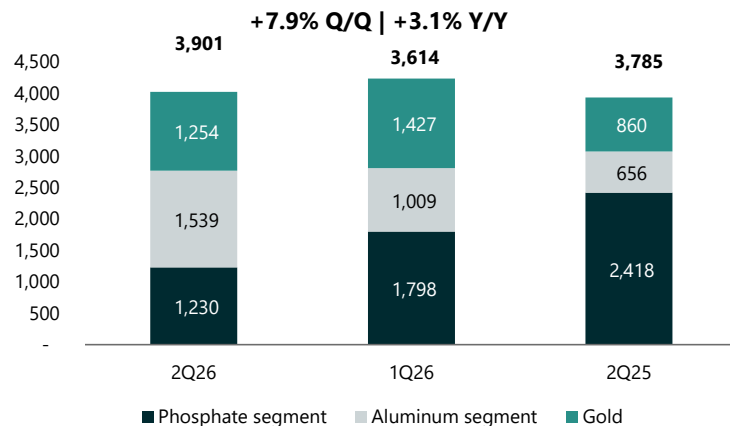
AMAK Gross Margin change (bps)



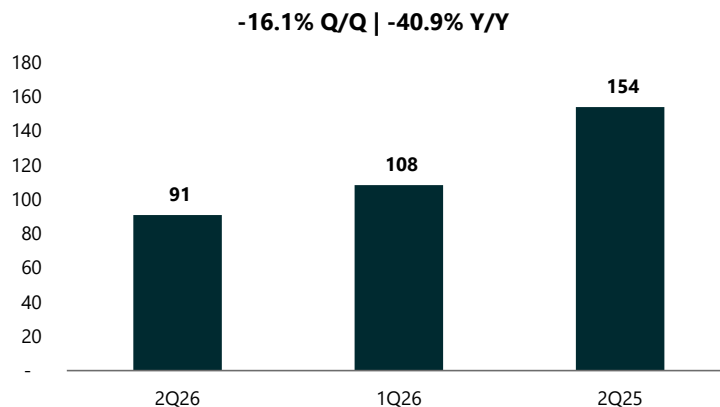
# EBITDA

Phosphate gross profit pressure flowed through into EBITDA for MAADEN; AMAK witnessed sharp contraction in EBITDA margins as well

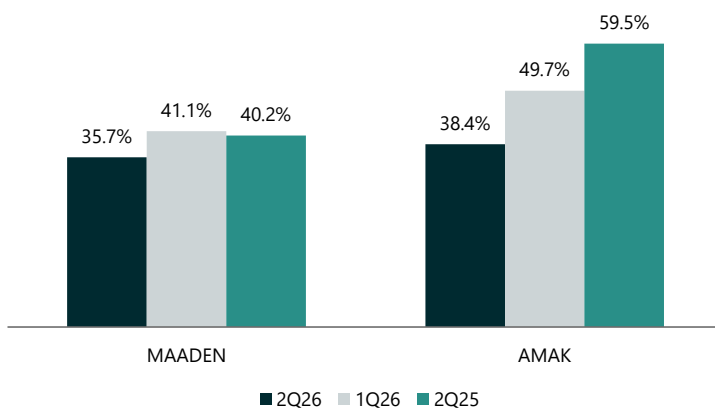
MAADEN EBITDA (SAR mn)



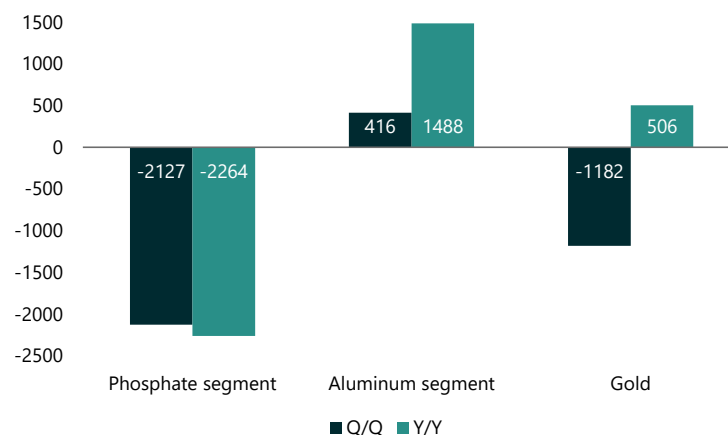
AMAK EBITDA (SAR mn)



EBITDA Margin



MAADEN EBITDA Margin change (bps)

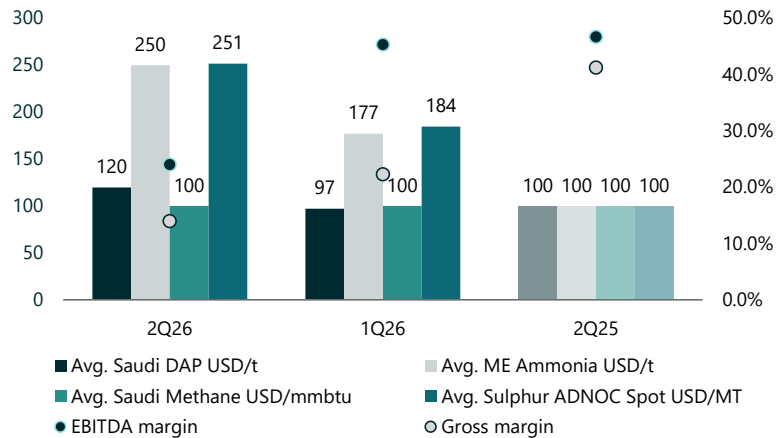


- MAADEN AB's topline growth supported EBITDA, which **increased 7.9% Q/Q and 3.1% Y/Y to SAR 3.9bn**, even as overall EBITDA margin declined.
- AMAK AB, on the other hand, saw revenue weakness (due to lower gold output and AlMasane mine suspension) get further compounded by increase in administrative expenses (+43% Q/Q and +21% Y/Y), resulting in **EBITDA decline of 16.1% Q/Q and 41% Y/Y to SAR 91mn**.
- Gross margin weakness carried into EBITDA margin for both companies; **MAADEN AB's EBITDA margin declined 548bps Q/Q and 454bps Y/Y to 35.7%**, while **AMAK AB's EBITDA margin declined by 11.3ppts Q/Q and 21.2ppts Y/Y to 38.4%**.
- For MAADEN AB, despite phosphate segment revenue increasing, the segment's **EBITDA declined by 31.6% Q/Q and 49% Y/Y to SAR 1.2bn**. This was due to the pressure on the segment's gross margin due to higher sulfur costs as well as due to a non-recurring income from insurance proceeds of SAR 375mn booked in 1Q26 in this segment. **Phosphate segment EBITDA margin declined 21.3ppts Q/Q and 22.6ppts Y/Y**.
- MAADEN AB's **Aluminum segment EBITDA increased by 52.5% Q/Q and 135% Y/Y to SAR 1.54bn**. This was driven primarily by revenue growth due to higher realized primary aluminum prices and increased volumes sold. The quarter also did not have the negative impact of impairment charge of SAR 322mn in 1Q26, due to Manara's recognition of impairment in Vale Base Metals Limited. Price, volumetric growth and absence of impairment charge collectively resulted in the segment's EBITDA margin increasing **416bps Q/Q and 14.9ppts Y/Y**.
- MAADEN AB's gold segment EBITDA largely followed average gold price movement, with **EBITDA down 12.1% Q/Q and up 45.8% Y/Y to SAR 1.25bn**. The segment's margins varied due to the same reason, **declining 11.8ppts Q/Q and increasing 5ppts Y/Y**.

# MAADEN: Phosphate and Aluminum segment; key margin drivers

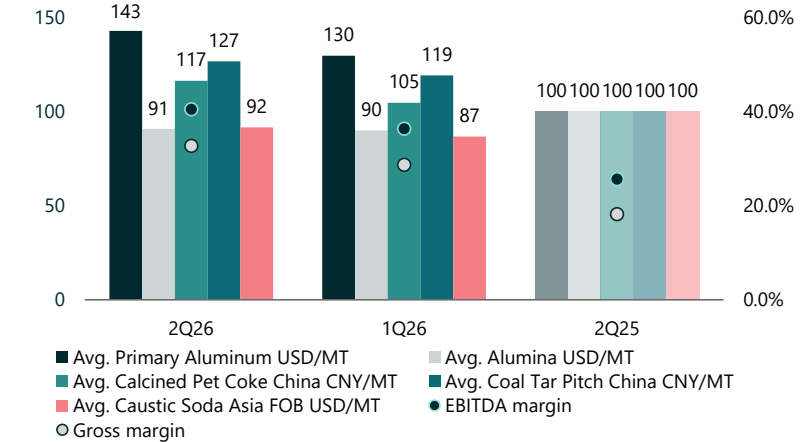
*Phosphate segment margins under pressure due to surge in sulfur cost, while Aluminum margins witnessed uptrend on higher product prices*

Phosphate segment key revenue and cost indexes (Base last year)



- Phosphate segment's margins saw pressure due to sharp increase in sulfur price; **reference benchmark average up 2.5x Y/Y and 36% Q/Q**. Sulfur prices increased sharply because of the Iran war; with the Strait of Hormuz closure resulting in lower hydrocarbon shipments from the middle east and curtailed hydrocarbon production. Middle East sulfur production accounted approximately 24% of global sulfur output in 2025 (source: Reuters), while the region accounts for approximately 45% of sulfur's seaborne trade globally.
- While ME Ammonia prices followed a similar trend, the closure of Strait of Hormuz meant that shipping logistics for Ammonia remained majorly disrupted throughout the quarter, as alternate routes for Ammonia are not feasible. Ammonia external sales volumes were down 90% Q/Q and 94% Y/Y, hence margins couldn't benefit from the price increase.
- DAP price increase supported the segment's margins however the impact was not enough to offset the sharp increase in sulfur costs and loss of Ammonia volumes.

Aluminum segment key revenue and cost indexes (Base last year)

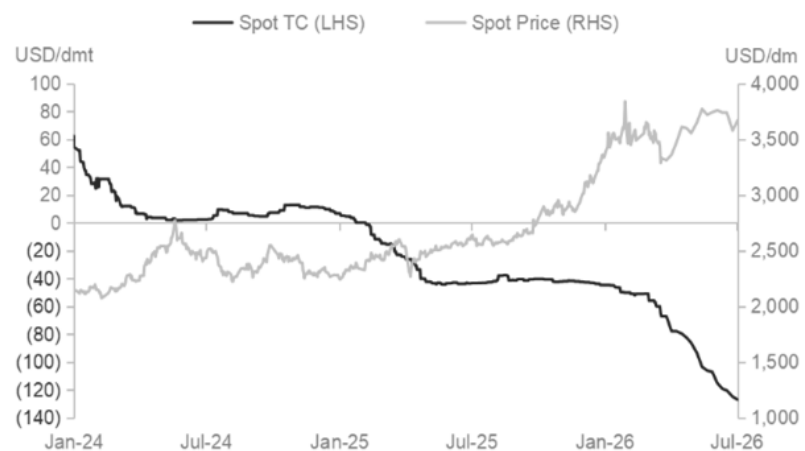


- Aluminum segment margins benefited from the sharp increase in primary aluminum prices; with average **LME aluminum up 43% Y/Y and 10% Q/Q**. Aluminum prices have increased due to increase in energy costs as a result of the Iran war and direct impact on aluminum supply from the Middle East, as the region has 9% of global smelting capacity of aluminum (source: Reuters), and accounted for 21.6% of global aluminum exports in 2025 (source: S&P Global).
- While supply route closure was a factor, direct impacts on key production facilities including Aluminum Bahrain, Emirates Global Aluminum and Qatar Aluminum also resulted in decline in exports.
- The increase in aluminum price helped offset the increase in carbon anode costs, which increased due to the constrained energy supply chains in 2Q26.
- MAADEN AB was able to route aluminum through alternate supply routes which allowed it to increase volumes sold at higher prices, resulting in an expansion in the segment's margins.

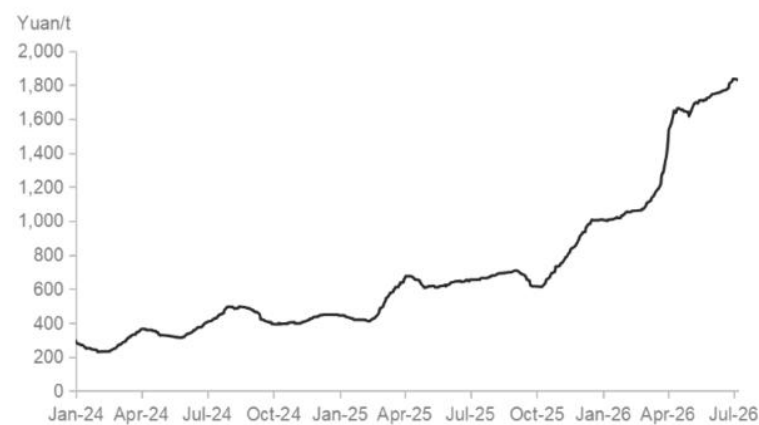
# AMAK: Copper treatment and refining charges

*Copper treatment and refining charges at record lows; AMAK reaps the benefit*

**25% Cu Concentrate Spot Prices and Spot Treatment Charges (China)**

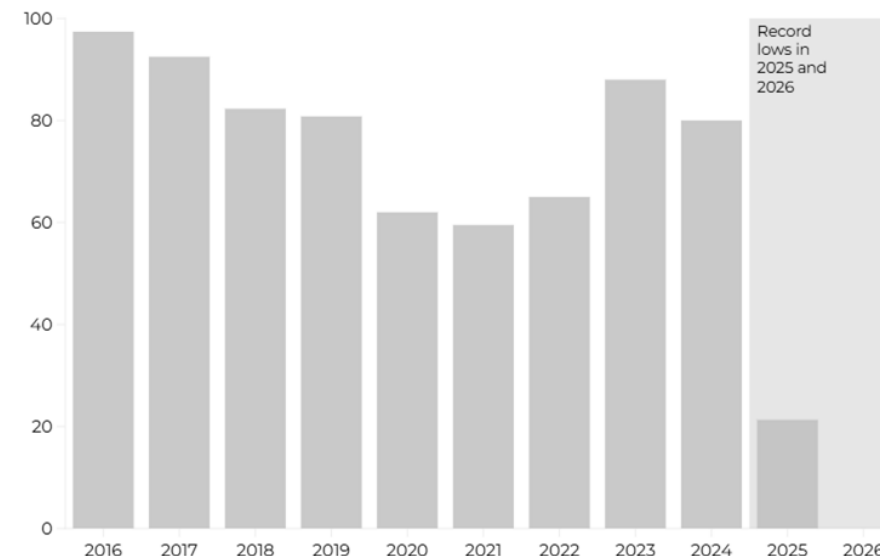


**China 98% Smelting Acid Price**



Source: Mysteel

**Annual Benchmark Copper TC/RCs (USD/t)**



Source: Benchmark copper service

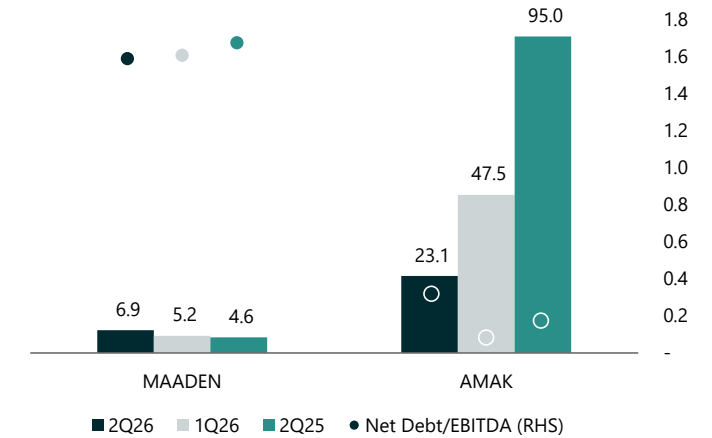
- Copper TC and RC fell to record lows in the quarter due to tight concentrate supply and robust primary metal demand driven by AI data centers, EV production resulting in new smelting capacities globally, and higher sulfuric acid prices.
- While sulfur shortage dented MAADEN AB's phosphate margins, it improved AMAK AB's realized copper concentrate price, as higher sulfuric acid prices (which is a by-product of copper smelting), allow smelters to accept lower TC/RC for concentrate.
- China had also imposed restrictions on sulfuric acid exports (S&P Global) which further contributed to global supply tightness.
- Consequently, benchmark TC/RC for copper (negotiated annually between major miners and smelters) dropped to 0 in 2026 while spot TCs are in the negative. Market tightness for copper concentrate is expected to continue in 2026.

# SECTOR LEVERAGE AND BOTTOMLINE PROFITABILITY

*MAADEN AB sees net income increase due to stable EBITDA level performance and associate income; AMAK AB's bottom-line contracts sharply due to poor operating performance*

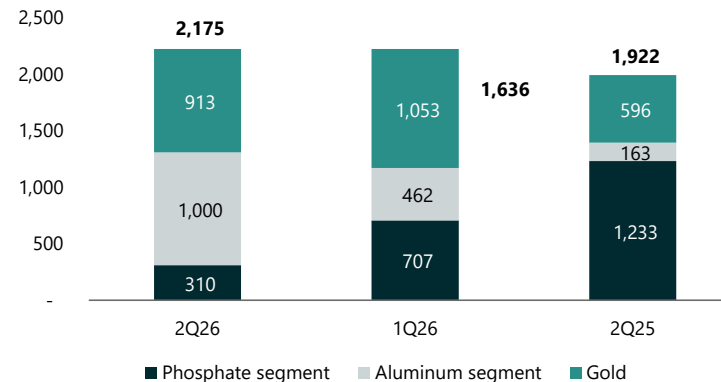
- AMAK AB's finance costs increased 2x Y/Y, negatively impacting its leverage ratios. The company however, remains much lower leveraged vs. MAADEN AB, with **AMAK AB's Net Debt/EBITDA at 0.3x in 2Q26 vs. 1.6x for MAADEN**, hence the bottom-line impact was not significant.
- MAADEN AB's interest coverage improved to 6.9x vs. 5.2x previous quarter and 4.6x last year, due to decline in overall debt by 3.4% Q/Q and 1.4% Y/Y, alongside lower effective interest rates. **MAADEN AB's net debt to EBITDA stood at 1.6x**, flat Q/Q and down from 1.7x last year.
- Despite decline in operating level profitability, **MAADEN AB's net income increased 33% Q/Q and 13.2% Y/Y**, mainly due to i) lower finance costs and ii) higher profit from associates, as MBCC and ALBA's profitability increased during the quarter Y/Y and the company had booked a non-recurring impairment charge of SAR 322mn in 1Q26, due to Manara's recognition of impairment in Vale Base Metals Limited.
- For AMAK AB however, the sharp pressure on gross and EBITDA margins translated into a contraction in bottom-line, which **declined 42.3% Q/Q and 52.6% Y/Y** to SAR 35mn.

Interest coverage and Net Debt/EBITDA



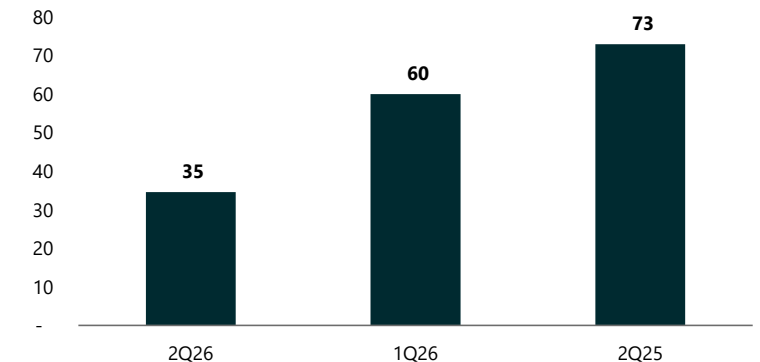
MAADEN net income (SAR mn)

**+33.0% Q/Q | +13.2% Y/Y**



AMAK net income (SAR mn)

**-42.3% Q/Q | -52.6% Y/Y**



TASI

# Saudi Arabian Mining Co. (MAADEN)

2Q26 Financials Review

|                       |           |
|-----------------------|-----------|
| Bloomberg             | MAADEN AB |
| Rating                | HOLD      |
| Market Price          | 66.7      |
| 12-month Target Price | 60        |
| Upside / Downside     | -10.0%    |
| Mkt Cap (SAR mn)      | 259,380.5 |
| 52 week High/Low      | 79.9/52.9 |



# Saudi Arabian Mining Co. (MAADEN) (HOLD, TP: SAR 60, 1211.SE) 2Q26 Financials Review

## Aluminum and gold segments offset decline in phosphate segment profitability

**MAADEN reported 2Q26 net income of SAR 2.18bn (EPS 0.56), up 33% Q/Q and 13% Y/Y. Revenue increased across all segments due to higher realized product prices and aluminum segment volumes which drove topline higher by 25% Q/Q and 16% Y/Y. Topline performance got diluted at earnings level due to pressure on phosphate segment margins driven by higher costs and lower volumes, as gross profit increased 8.4% Q/Q and declined 3.8% Y/Y, while operating profit declined 6.7% Q/Q and 7.7% Y/Y.**

- Revenue increased by 24.5% Q/Q and 16.2% Y/Y to SAR 10.9bn, with increase seen across all segments and most notably the aluminum segment. Phosphate segment revenue increased by 28.9% Q/Q and declined 1.2% Y/Y to SAR 5.12bn, aluminum revenue increased 36.9% Q/Q and 48.8% Y/Y to SAR 3.8bn while gold revenue increased 4.1% Q/Q and 34.3% Y/Y to SAR 1.96bn.
- Phosphate segment revenue was driven by higher realized DAP prices, as volumetric sales of DAP (+14% Q/Q, -14% Y/Y) and Ammonia (-90% Q/Q, -94% Y/Y) impacted revenue. While sulfur availability impacted overall production, ammonia volumes declined due to closure of the Strait of Hormuz, as alternate logistics are not feasible for ammonia. Average benchmark DAP price (+24% Q/Q, +20% Y/Y) and average benchmark ammonia price (+41% Q/Q, +150% Y/Y) drove revenue. Aluminum revenue increased due to higher shipped volumes as well as higher product prices. Average LME Aluminum price (+10.2% Q/Q, +43.1% Y/Y) alongside higher volumetric sales; alumina +25% Q/Q, +20% Y/Y; primary aluminum +23% Q/Q, +19% Y/Y drove revenue. Gold revenue was largely driven by higher average gold price (-7.1% Q/Q, +37.2% Y/Y) and volumes (+13% Q/Q, flat Y/Y).
- Gross profit increased 8.4% Q/Q and declined 3.8% Y/Y to SAR 3.39bn. Aluminum and gold remained the key profit contributors, as aluminum gross profit increased 56.1% Q/Q and 167.6% Y/Y due to higher product price and volumes while gold gross profit declined 1.1% Q/Q and increased 55% Y/Y due to gold price. Phosphate gross profit declined sharply by 19.1% Q/Q and 66.5% Y/Y due to lower volumes and sharp increase in sulfur costs driven by the Iran war and the resulting impact on hydrocarbon production. Gross margin contracted 459bps Q/Q and 644bps Y/Y to 31.0% due to the contraction in phosphate margins.
- EBITDA increased 7.9% Q/Q and 3.1% Y/Y to SAR 3.9bn. Phosphate segment EBITDA declined 31.6% Q/Q and 49.2% Y/Y due to gross margin pressure, while aluminum segment EBITDA increased 52.5% Q/Q and 135% Y/Y, aided by gross profit growth and absence of MAADEN's share (SAR 322mn) of impairment charge booked by Manara on Vale Base Metals Ltd. in 1Q26. Gold segment EBITDA declined 12.1% Q/Q and increased 45.8% Y/Y mainly due to gold price movements. EBITDA margin contracted 548bps Q/Q and 454bps Y/Y to 35.7%.
- Phosphate prices have continued to increase in 3Q to date, however so has sulfur. With Ammonia logistics challenged due to prolonged closure of the Strait, we expect phosphate profitability to remain under pressure in 3Q, as DAP prices are unlikely to compensate for higher costs. Another key risk remains the strengthening El-Nino weather pattern in 2026/27, which would be negative for farmer economics and phosphate demand. We therefore expect near-term profitability to be driven by aluminum segment, as aluminum prices are expected to stay firm near term given supply disruptions from the GCC region and high energy costs. Gold is likely to remain rangebound as market expectations of Fed rate hike have increased during the quarter. Beyond the current geopolitics, near to medium term volume drivers are visible for MAADEN; commissioning of Phosphate 3 in 2027 (1.5mn tons DAP capacity) will be the next volume driver for phosphate business, while Ar-rujm gold project (~250k Oz. p.a.) and aluminum recycling unit (400 ktpa) in late 2028 will increase gold and aluminum production 2029 onwards. However near term risk to phosphate business margins remains, and we maintain our HOLD call on the stock with a 12-month TP of SAR 60/sh.

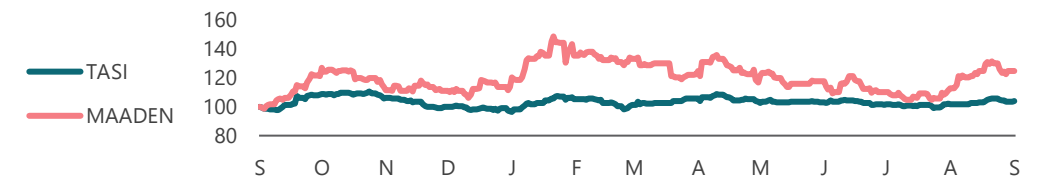
## Rating and Risks

We are HOLD rated on MAADEN and our 12-month price target is SAR 60. Upside risks include re-opening of Strait of Hormuz and correction in energy and sulfur prices. Downside risks include prolonged regional conflict which can fuel global inflation, interest rate increases and disrupt supply chains for longer, a 'super El-Nino' which can negatively impact fertilizer prices.

| SAR mn                  | 2Q26          | Quarterly    |              |              |              | Rolling 4 quarters |               |              |
|-------------------------|---------------|--------------|--------------|--------------|--------------|--------------------|---------------|--------------|
|                         |               | 1Q26         | 2Q25         | Q/Q          | Y/Y          | Jun-26             | Jun-25        | Y/Y          |
| Phosphate segment       | 5,119         | 3,971        | 5,183        | 28.9%        | -1.2%        | 20,209             | 19,470        | 3.8%         |
| Aluminum segment        | 3,794         | 2,771        | 2,550        | 36.9%        | 48.8%        | 12,294             | 10,730        | 14.6%        |
| Gold                    | 1,962         | 1,884        | 1,461        | 4.1%         | 34.3%        | 7,484              | 5,109         | 46.5%        |
| <b>Total Revenue</b>    | <b>10,939</b> | <b>8,787</b> | <b>9,416</b> | <b>24.5%</b> | <b>16.2%</b> | <b>40,377</b>      | <b>35,941</b> | <b>12.3%</b> |
| <b>Gross Profit</b>     | <b>3,389</b>  | <b>3,125</b> | <b>3,523</b> | <b>8.4%</b>  | <b>-3.8%</b> | <b>14,591</b>      | <b>11,358</b> | <b>28.5%</b> |
| Operating expenses      | 1,093         | 963          | 826          | 13.5%        | 32.3%        | 4,488              | 3,664         | 22.5%        |
| <b>Operating profit</b> | <b>2,363</b>  | <b>2,533</b> | <b>2,560</b> | <b>-6.7%</b> | <b>-7.7%</b> | <b>10,409</b>      | <b>7,464</b>  | <b>39.4%</b> |
| <b>EBITDA</b>           | <b>3,901</b>  | <b>3,614</b> | <b>3,785</b> | <b>7.9%</b>  | <b>3.1%</b>  | <b>16,326</b>      | <b>12,288</b> | <b>32.9%</b> |
| Finance costs           | 344           | 490          | 552          | -29.7%       | -37.6%       | 1,861              | 2,396         | -22.4%       |
| Income from associates  | 397           | (74)         | 159          | 434.5%       | 150.0%       | 1,253              | 322           | 289.6%       |
| <b>Net Income</b>       | <b>2,175</b>  | <b>1,636</b> | <b>1,922</b> | <b>33.0%</b> | <b>13.2%</b> | <b>7,687</b>       | <b>4,338</b>  | <b>77.2%</b> |
| EPS                     | 0.56          | 0.42         | 0.49         | 33.0%        | 13.2%        | 1.98               | 1.12          | 77.2%        |
| Gross margin            | 31.0%         | 35.6%        | 37.4%        | -459 bps     | -644 bps     | 36.1%              | 31.6%         | 454 bps      |
| Operating margin        | 21.6%         | 28.8%        | 27.2%        | -723 bps     | -559 bps     | 25.8%              | 20.8%         | 501 bps      |
| EBITDA margin           | 35.7%         | 41.1%        | 40.2%        | -548 bps     | -454 bps     | 40.4%              | 34.2%         | 624 bps      |
| Net margin              | 19.9%         | 18.6%        | 20.4%        | 127 bps      | -53 bps      | 19.0%              | 12.1%         | 697 bps      |

| Forecasts           | 12/25 A | 12/26 E | 12/27 E | 12/28 E |
|---------------------|---------|---------|---------|---------|
| Revenue (SAR mn)    | 38,578  | 41,849  | 39,724  | 41,652  |
| EBITDA (SAR mn)     | 16,065  | 15,763  | 16,910  | 17,678  |
| Net Income (SAR mn) | 7,348   | 7,678   | 8,466   | 9,353   |
| EPS (SAR)           | 1.9     | 2.0     | 2.2     | 2.4     |
| DPS (SAR)           | -       | -       | -       | -       |
| PER (x)             | 35.1    | 33.6    | 30.5    | 27.6    |
| EV/EBITDA (x)       | 17.6    | 18.0    | 16.7    | 16.0    |
| Dividend Yield (%)  | -       | -       | -       | -       |

## Price Chart



# Saudi Arabian Mining Co. (MAADEN) : Summary Financials

| <i>SAR mn</i>           | A Dec-24<br><i>Actual</i> | A Dec-25<br><i>Actual</i> | A Dec-26<br><i>Forecast</i> | A Dec-27<br><i>Forecast</i> | A Dec-28<br><i>Forecast</i> |
|-------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Income Statement</b> |                           |                           |                             |                             |                             |
| Phosphate segment       | 17,766                    | 20,773                    | 20,026                      | 17,762                      | 19,347                      |
| Aluminum segment        | 10,057                    | 10,988                    | 13,185                      | 12,410                      | 12,596                      |
| Gold                    | 4,457                     | 6,286                     | 8,438                       | 9,375                       | 9,516                       |
| <b>Total Revenue</b>    | <b>32,546</b>             | <b>38,578</b>             | <b>41,849</b>               | <b>39,724</b>               | <b>41,652</b>               |
| Gross Profit            | 9,244                     | 14,792                    | 15,417                      | 16,352                      | 17,397                      |
| <b>Operating profit</b> | <b>6,255</b>              | <b>10,353</b>             | <b>11,128</b>               | <b>11,596</b>               | <b>12,447</b>               |
| <b>EBITDA</b>           | <b>10,941</b>             | <b>16,065</b>             | <b>15,763</b>               | <b>16,910</b>               | <b>17,678</b>               |
| Finance costs           | 2,549                     | 2,172                     | 1,999                       | 1,871                       | 1,645                       |
| <b>Net Income</b>       | <b>2,872</b>              | <b>7,348</b>              | <b>7,678</b>                | <b>8,466</b>                | <b>9,353</b>                |
| EPS                     | 0.7                       | 1.9                       | 2.0                         | 2.2                         | 2.4                         |
| DPS                     | -                         | -                         | -                           | -                           | -                           |
| <b>Ratios</b>           |                           |                           |                             |                             |                             |
| Gross Margin            | 28.4%                     | 38.3%                     | 36.8%                       | 41.2%                       | 41.8%                       |
| Operating Margin        | 19.2%                     | 26.8%                     | 26.6%                       | 29.2%                       | 29.9%                       |
| EBITDA Margin           | 33.6%                     | 41.6%                     | 37.7%                       | 42.6%                       | 42.4%                       |
| Net Margin              | 8.8%                      | 19.0%                     | 18.3%                       | 21.3%                       | 22.5%                       |
| Return on Equity        | 5.8%                      | 12.9%                     | 12.2%                       | 11.8%                       | 11.4%                       |
| Interest Coverage       | 2.5                       | 4.8                       | 5.6                         | 6.2                         | 7.6                         |
| Net debt/EBITDA         | 2.0                       | 1.4                       | 1.1                         | 0.7                         | 0.1                         |

TASI

# AlMasane AlKobra Mining Co. (AMAK)

2Q26 Financials Review

|                       |            |
|-----------------------|------------|
| Bloomberg             | AMAK AB    |
| Rating                | BUY        |
| Market Price          | 83.2       |
| 12-month Target Price | 91         |
| Upside / Downside     | 9.4%       |
| Mkt Cap (SAR mn)      | 7,488.0    |
| 52 week High/Low      | 117.5/63.2 |

9 SEP 2026



# AlMasane AlKobra Mining Co. (AMAK) (BUY, TP: SAR 91, 1322.SE) 2Q26 Financials Review

## Gold revenue decline and AlMasane mine suspension impacts bottomline

**AMAK reported 2Q26 net income of SAR 35mn (EPS 0.39), down 42% Q/Q and 53% Y/Y. Gold revenue decline amid cost pressure was key reason for Q/Q profitability decline, even as AlMasane mine resumed operations mid-quarter. On Y/Y basis, revenue declined due to lower gold volume and AlMasane mine suspension, which impacted margins. Gross profit declined 25% Q/Q and 41% Y/Y to SAR 66mn while operating profit declined 39% Q/Q and 51% Y/Y to SAR 44mn.**

- Revenue increased 8.5% Q/Q and declined 8.4% Y/Y to SAR 237mn. Lower volumes were the key reason behind the pressure on topline even as majority of benchmark product prices moved higher during the quarter.
- Copper and zinc revenue recovered Q/Q as AlMasane base metals plant resumed operations on 13<sup>th</sup> May after remaining suspended through most of 1Q. On Y/Y basis however, copper and zinc volumes were lower due to AlMasane mine suspension and revenue was driven by higher realized prices. Avg. LME Copper price was up 4% Q/Q and 41.3% Y/Y, while average LME zinc price was up 6.3% Q/Q and 30.3% Y/Y. Further supporting realized prices were lower TC/RC for copper – driven by tight concentrate supply, robust cathode demand and high sulfuric acid prices. Benchmark TC for copper hit 0 for 2026 while spot TCs in China were trending in the negative during the quarter. Similarly zinc TC RCs have also contracted. AlMasane mine's revenue was therefore up 6x Q/Q and down 39% Y/Y, while Moyoath mine's revenue was up 14% Q/Q and 60% Y/Y.
- Gold revenue declined 31% Q/Q and 30% Y/Y to SAR 78mn despite higher average gold price Y/Y. Spot gold average was up 37% Y/Y and down 7.1% Q/Q. The revenue decline from Mount Guyan mine (-37% Q/Q, -29% Y/Y) was likely due to two factors i) possible lower throughput during the quarter, as the company had previously increased throughput during the 2025 price run-up/lower ore grade and/or ii) deliberate reduced volumes sold via the agent due to the decline in gold prices during the quarter, with the management taking a view that the correction would reverse.
- Gross profit declined 25% Q/Q and 41% Y/Y to SAR 66mn, while gross margin contracted 12.5ppts Q/Q and 15ppts Y/Y to 27.7%. Repair work on AlMasane mine, lower Y/Y volumes and higher cyanide costs for gold due to supply constraints during the quarter are likely factors contributing to margin contraction. While AlMasane mine's gross loss narrowed Q/Q (and vs. a profit last year), Mount Guyan mine saw a 68% Q/Q and 61% Y/Y decline in gross profit, which indicates gold processing costs and lower volumes remained key factors for gross profit decline. Gross profit weakness carried into EBITDA as well, with EBITDA down 16% Q/Q and 41% Y/Y to SAR 91mn and EBITDA margin contracting 11.3ppts Q/Q and 21.2ppts Y/Y to 38.4%. This was also impacted by a 42% Q/Q and 20% Y/Y increase in admin expenses.
- AMAK's product price fundamentals remain supportive; we have a bullish long term view on copper due to robust fundamentals driven by growing demand from data centers, electrification requirements and energy transition/EVs, alongside sluggish mining output growth pointing to market deficits. We expect copper to average +13500 USD/MT for 2026/27. Near term geopolitics and trade concerns further compound supply bottlenecks hence prices are likely to stay on an uptrend. Zinc outlook remains neutral, given that price surge recently has been caused by temporary supply disruptions. For gold, the bullish case has weakened in the near term due to increasing market expectations of interest rate hike in 2026/27, however we expect prices to sustain near USD 4500/Oz. in 2026. AMAK's earnings are expected to be entirely price-driven in the medium term, given that the processing plants are not expected to see near term capacity upgrades (despite new gold ore output from Khutainah mine, as it is still processed from the Guyan plant), which exposes the company notably to global macro and geopolitics. The Iran war has likely increased raw material costs for the company, such as cyanide, due to shipping disruptions. This, alongside rangebound gold prices would mean margin pressure for gold can continue in 2H, although we expect inventory releases to also drive gold revenue higher in the second half. AlMasane mine resumption will also support revenue recovery in 2H, although we expect the mine's margins to be lower going forward as deposits are now deeper underground. With 2H recovery driven by revenue, alongside supportive fundamentals for the product portfolio, we maintain BUY call on AMAK with a 12-month TP of SAR 91.

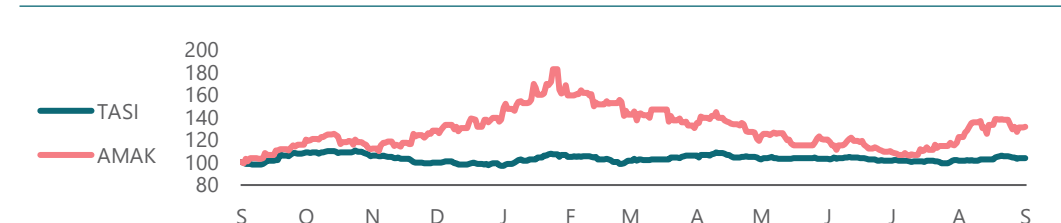
### Rating and Risks

We are BUY rated on AMAK and our 12-month price target is SAR 91. Upside risks include dovish policy stance from the Fed which can drive gold prices higher and higher mining output. Downside risks include prolonged regional conflict which can fuel global inflation, interest rate increases and disrupt supply chains for longer, negatively impacting AMAK's margins and decline in AlMasane mine output.

| SAR mn                  | 2Q26       | Quarterly  |            |               |               | Rolling 4 quarters |            |              |
|-------------------------|------------|------------|------------|---------------|---------------|--------------------|------------|--------------|
|                         |            | 1Q26       | 2Q25       | Q/Q           | Y/Y           | Jun-26             | Jun-25     | Y/Y          |
| Copper concentrate      | 85         | 60         | 89         | 40.4%         | -5.1%         | 283                | 294        | -3.9%        |
| Zinc concentrate        | 71         | 40         | 65         | 76.2%         | 9.7%          | 193                | 287        | -32.6%       |
| Gold                    | 78         | 114        | 111        | -31.4%        | -29.6%        | 514                | 333        | 54.6%        |
| Silver                  | 2          | 2          | 2          | -3.6%         | 10.2%         | 6                  | 5          | 29.4%        |
| <b>Total Revenue</b>    | <b>237</b> | <b>218</b> | <b>259</b> | <b>8.5%</b>   | <b>-8.4%</b>  | <b>1003</b>        | <b>921</b> | <b>8.9%</b>  |
| <b>Gross Profit</b>     | <b>66</b>  | <b>88</b>  | <b>110</b> | <b>-25.3%</b> | <b>-40.6%</b> | <b>394</b>         | <b>360</b> | <b>9.5%</b>  |
| Operating expenses      | 21         | 16         | 19         | 35.7%         | 9.5%          | 70                 | 67         | 4.1%         |
| <b>Operating profit</b> | <b>44</b>  | <b>72</b>  | <b>91</b>  | <b>-38.6%</b> | <b>-51.3%</b> | <b>325</b>         | <b>293</b> | <b>10.7%</b> |
| <b>EBITDA</b>           | <b>91</b>  | <b>108</b> | <b>154</b> | <b>-16.1%</b> | <b>-40.9%</b> | <b>530</b>         | <b>517</b> | <b>2.5%</b>  |
| Finance costs           | 2          | 2          | 1          | 26.1%         | 100.0%        | 7                  | 4          | 61.2%        |
| <b>Net Income</b>       | <b>35</b>  | <b>60</b>  | <b>73</b>  | <b>-42.3%</b> | <b>-52.6%</b> | <b>247</b>         | <b>229</b> | <b>7.8%</b>  |
| EPS                     | 0.39       | 0.67       | 0.81       | -42.3%        | -52.6%        | 2.75               | 2.55       | 7.8%         |
| Gross margin            | 27.7%      | 40.2%      | 42.7%      | -1,253 bps    | -1,504 bps    | 39.3%              | 39.1%      | 21 bps       |
| Operating margin        | 18.7%      | 33.0%      | 35.2%      | -1,433 bps    | -1,650 bps    | 32.4%              | 31.8%      | 53 bps       |
| EBITDA margin           | 38.4%      | 49.7%      | 59.5%      | -1,128 bps    | -2,117 bps    | 52.8%              | 56.1%      | -327 bps     |
| Net Margin              | 14.6%      | 27.5%      | 28.3%      | -1,289 bps    | -1,363 bps    | 24.6%              | 24.9%      | -26 bps      |

| Forecasts           | 12/25 A | 12/26 E | 12/27 E | 12/28 E |
|---------------------|---------|---------|---------|---------|
| Revenue (SAR mn)    | 1026    | 1069    | 1288    | 1308    |
| EBITDA (SAR mn)     | 607     | 552     | 671     | 679     |
| Net Income (SAR mn) | 281     | 260     | 350     | 351     |
| EPS (SAR)           | 3.1     | 2.9     | 3.9     | 3.9     |
| DPS (SAR)           | 1.3     | 1.4     | 1.9     | 1.9     |
| PER (x)             | 21.3    | 23.0    | 17.1    | 17.0    |
| EV/EBITDA (x)       | 12.5    | 13.7    | 11.3    | 11.1    |
| Dividend Yield (%)  | 1.5     | 1.7     | 2.3     | 2.4     |

### Price Chart



# AlMasane AlKobra Mining Co. (AMAK) : Summary Financials

| <i>SAR mn</i>           | A Dec-24      | A Dec-25      | A Dec-26        | A Dec-27        | A Dec-28        |
|-------------------------|---------------|---------------|-----------------|-----------------|-----------------|
|                         | <i>Actual</i> | <i>Actual</i> | <i>Forecast</i> | <i>Forecast</i> | <i>Forecast</i> |
| <b>Income Statement</b> |               |               |                 |                 |                 |
| Copper concentrate      | 257           | 294           | 383             | 493             | 501             |
| Zinc concentrate        | 261           | 216           | 309             | 311             | 316             |
| Precious metals         | 259           | 513           | 376             | 484             | 491             |
| <b>Total Revenue</b>    | <b>781</b>    | <b>1,026</b>  | <b>1,069</b>    | <b>1,288</b>    | <b>1,308</b>    |
| Gross Profit            | 288           | 435           | 411             | 533             | 538             |
| <b>Operating profit</b> | <b>222</b>    | <b>367</b>    | <b>331</b>      | <b>443</b>      | <b>444</b>      |
| <b>EBITDA</b>           | <b>398</b>    | <b>607</b>    | <b>552</b>      | <b>671</b>      | <b>679</b>      |
| Finance costs           | 5             | 5             | 6               | 6               | 6               |
| <b>Net Income</b>       | <b>178</b>    | <b>281</b>    | <b>260</b>      | <b>350</b>      | <b>351</b>      |
| EPS                     | 2.0           | 3.1           | 2.9             | 3.9             | 3.9             |
| DPS                     | 2.1           | 1.3           | 1.4             | 1.9             | 1.9             |

|                   |       |       |       |       |       |
|-------------------|-------|-------|-------|-------|-------|
| <b>Ratios</b>     |       |       |       |       |       |
| Gross Margin      | 36.9% | 42.4% | 38.5% | 41.4% | 41.1% |
| Operating Margin  | 28.5% | 35.8% | 31.0% | 34.4% | 34.0% |
| EBITDA Margin     | 50.9% | 59.2% | 51.7% | 52.1% | 51.9% |
| Net Margin        | 22.8% | 27.3% | 24.3% | 27.2% | 26.8% |
| Return on Equity  | 14.3% | 21.9% | 16.4% | 20.1% | 18.3% |
| Interest Coverage | 41.8  | 67.9  | 51.7  | 76.5  | 76.8  |
| Net debt/EBITDA   | 0.1   | 0.0   | 0.1   | 0.0   | (0.1) |

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## Rating Framework

### Buy

Shares of the companies under coverage in this report are expected to outperform relative to the sector or the broader market.

### Hold

Shares of the companies under coverage in this report are expected to perform in line with the sector or the broader market.

### Sell

Shares of the companies under coverage in this report are expected to underperform relative to the sector or the broader market.

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**Saudi Fransi Capital**  
(Closed Joint Stock Company Owned by Banque Saudi Fransi)

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