

## **Saudi Arabian Mining Company (Ma'aden)**

Investor Presentation – Q3 2021 Results

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## Abdulaziz A. Al Harbi

Chief Executive Officer (A)

# ESG (Environmental, Social & Governance)



# ESG Strategy – Key Highlights

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## Aspiration to become a local ESG role model

- Become a local industrial role model in KSA contributing to KSA's ESG objectives
- Reduce Scope 1 & 2 Greenhouse gas (CO2e) emissions 60% by 2040
- Focus on renewable energy sourcing and consider Scope 3 emissions in future ambitions
- Decrease groundwater usage by 65%,
- Close any gap vs. peers in Social dimension
- Maintain good position in Governance dimension

## Q3 2021 Update



# Q3 2021 - Production Update

Ammonia down due to unplanned shut-downs; Gold down due to lower grades

- **Ammonium Phosphate** production was **1,272kt** (down 10% both, q-o-q and y-o-y)
- **Ammonia** production was **329kt** (down 8% q-o-q and down 45% y-o-y)
- **Aluminum** production was **243kt** (down 2% q-o-q and down 3% y-o-y)
- **Alumina** production was **458kt** (down 6% q-o-q and down 3% y-o-y)
- **Flat Rolled Products** production was **75kt** (down 5% q-o-q and up 3% y-o-y)
- **Gold** production was **75koz** (down 6% q-o-q and down 18% y-o-y)
- **Copper** production was **16kt** (up 4% q-o-q and up 1% y-o-y)

# Unplanned shutdowns in Q3 2021

Avoiding further unplanned shutdowns is a top priority

## **Unscheduled shutdown at MPC (Phosphate)**

- Seawater line leakage
- Duration was **20** days
- Repairs completed in September

## **Fire at MPC (Ammonia) on May 20th**

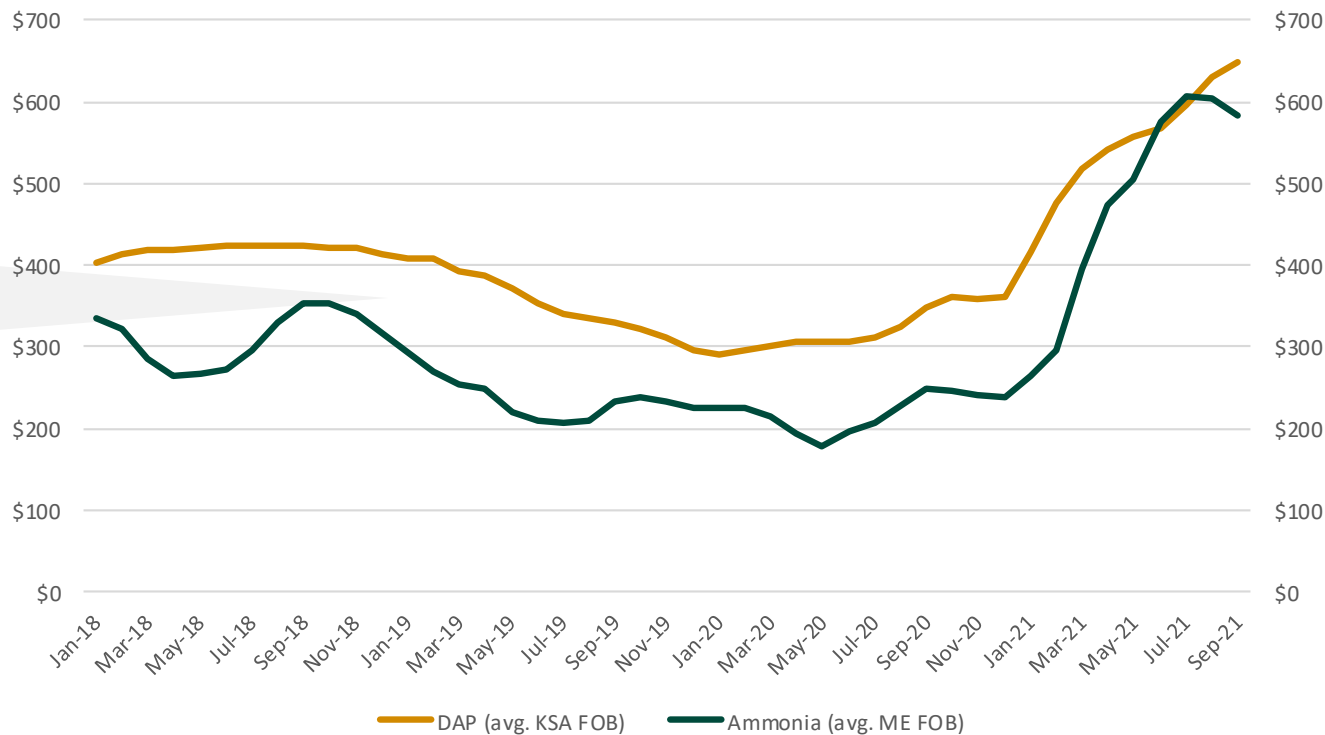
- Repairs dragged into late Q3
- Duration in Q3 was **87** days
- Production restarted in September

## Market Prices & Outlook



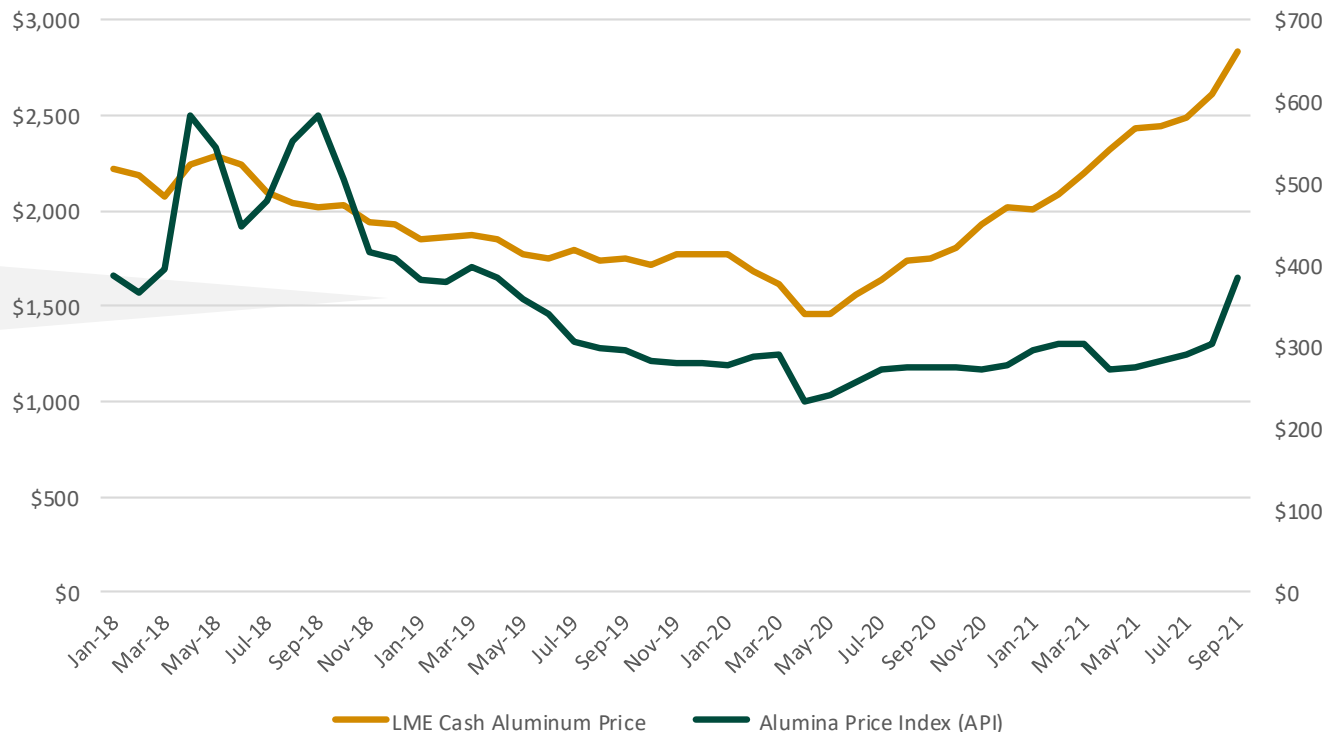
# Phosphate & Ammonia Prices

Phosphate price up in Q3, Ammonia price flat



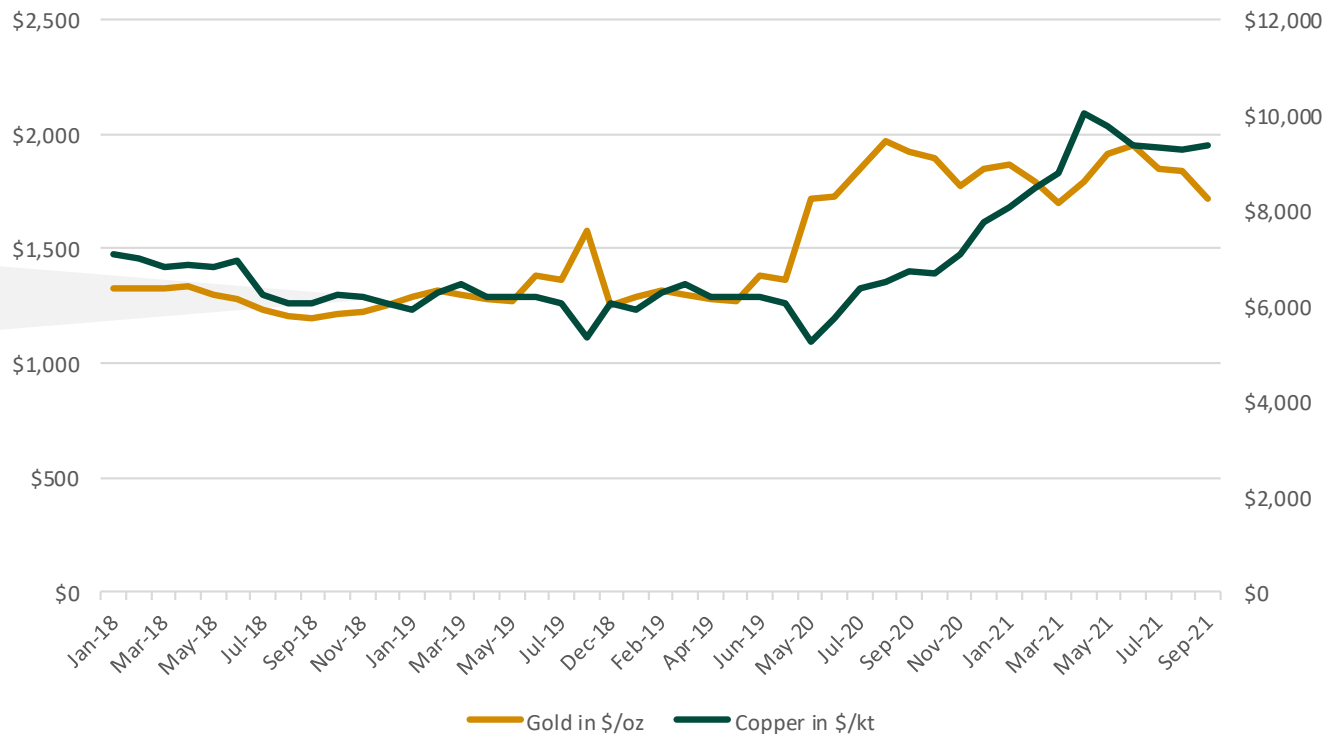
# Aluminum & Alumina Prices

Both, Aluminum and Alumina prices increased further



# Gold & Copper Prices

Gold price down in Q3; Copper price flat





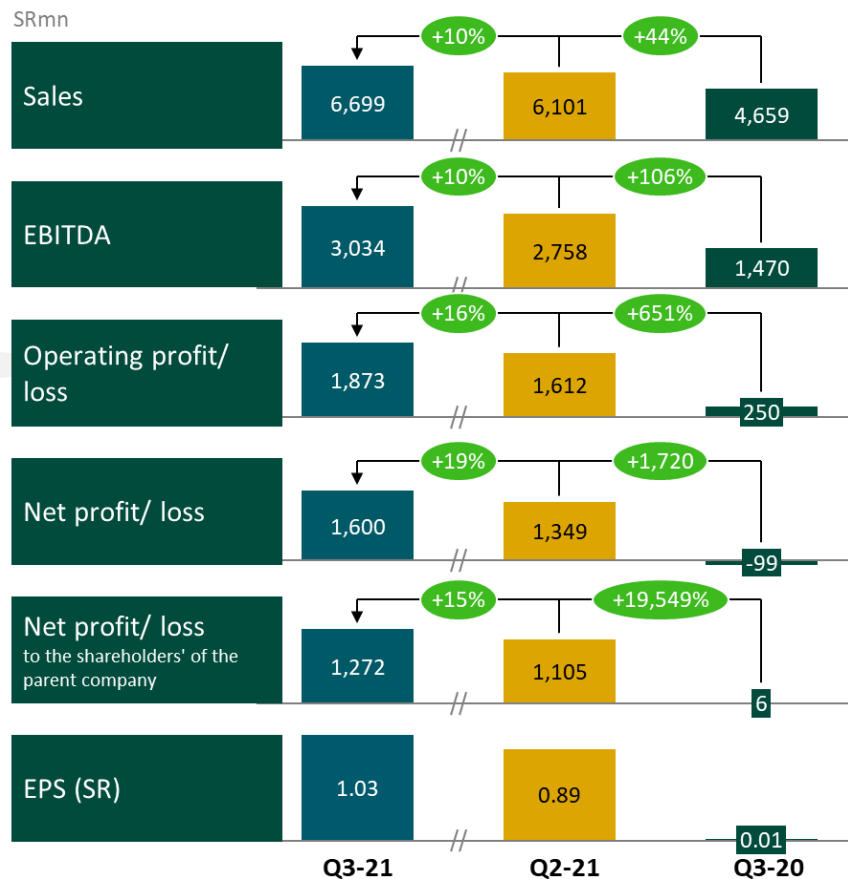
**Yaser A. Barri**

SVP, Finance & Chief Financial Officer (A)

## Q3 2021 - Financial Performance



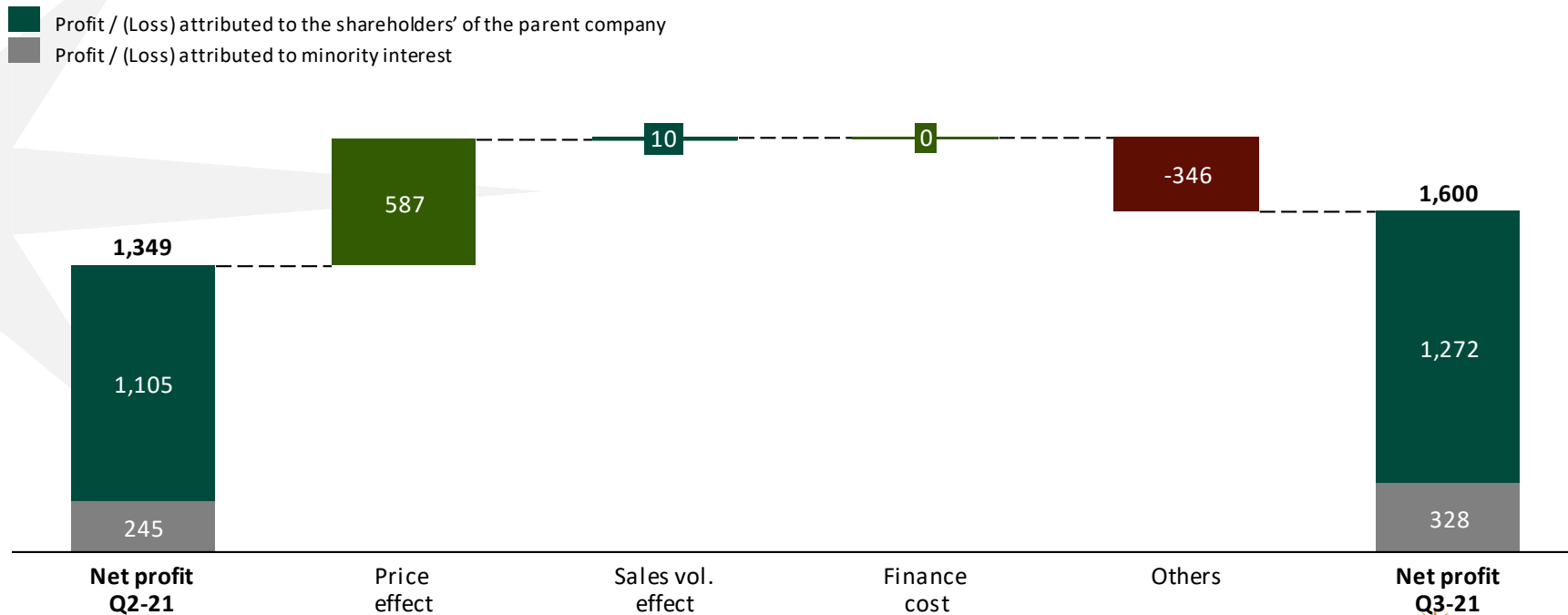
# Q3 2021 - Consolidated Key Financial Results



# Q3 2021 Net Profit – Quarter on Quarter Comparison

Net profit up 19%, mainly due to the price effect

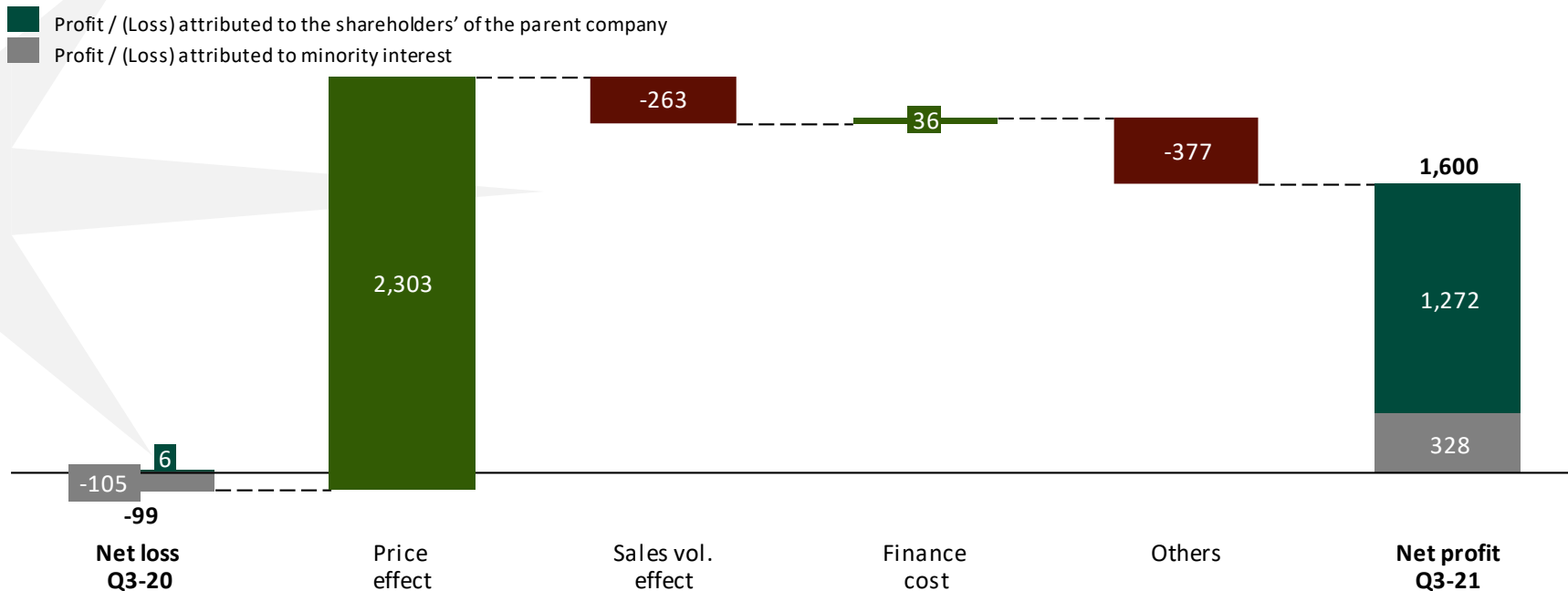
## Movement in net profit by line items (q-o-q)



# Q3 2021 Net Profit – Year on Year Comparison

A net profit in Q3 2021, compared to net loss in Q3 2020

## Movement in net profit by line items (y-o-y)



# Q3 2021 - Consolidated Sales and EBITDA by Segment

Phosphate accounts for 53% of Group EBITDA, Aluminum for 40%, Gold for 7%

## Consolidated

	Q3-21	vs. LY Qtr.	vs. Prev. Qtr.
Sales (SRmn)	6,699	↑ 44%	↑ 10%
EBITDA* (SRmn)	3,034	↑ 106%	↑ 10%
EBITDA margin	45%	↑ 14%	↑ 0%

## Phosphate

	Q3-21	vs. LY Qtr.	vs. Prev. Qtr.
Sales (SRmn)	3,646	↑ 60%	↑ 16%
EBITDA* (SRmn)	1,597	↑ 131%	↑ 12%
EBITDA margin	44%	↑ 14%	↓ -2%

53% of Group EBITDA

## Aluminium

	Q3-21	vs. LY Qtr.	vs. Prev. Qtr.
Sales (SRmn)	2,545	↑ 49%	↑ 6%
EBITDA* (SRmn)	1,228	↑ 173%	↑ 15%
EBITDA margin	48%	↑ 22%	↑ 4%

40% of Group EBITDA

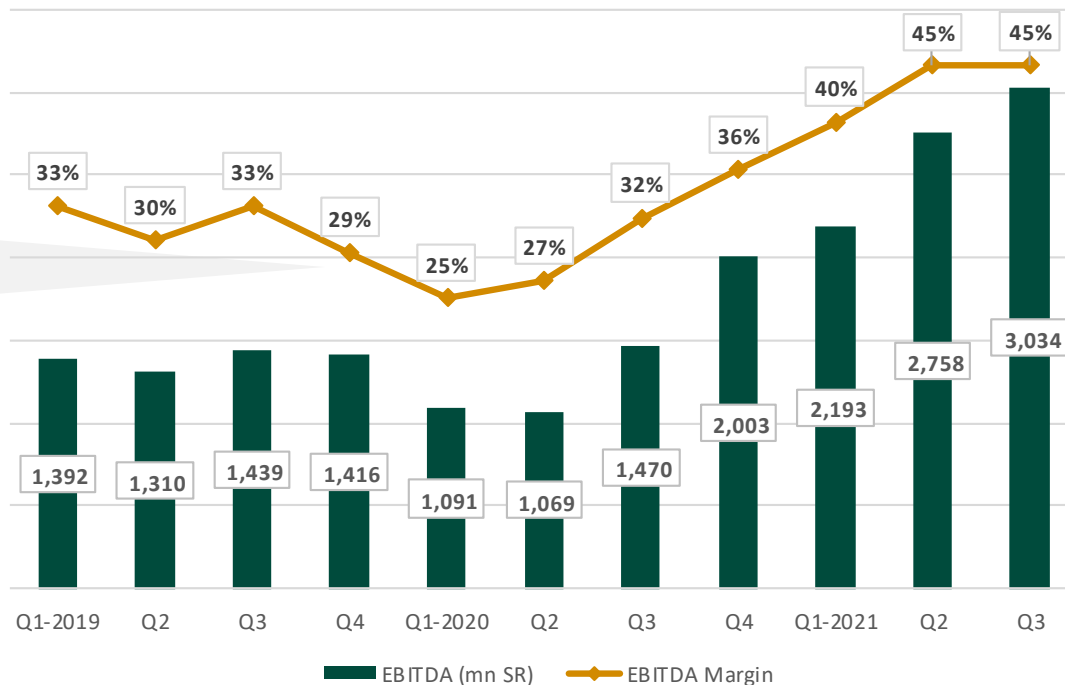
## Gold

	Q3-21	vs. LY Qtr.	vs. Prev. Qtr.
Sales (SRmn)	508	↓ -24%	↓ -9%
EBITDA* (SRmn)	210	↓ -36%	↓ -18%
EBITDA margin	41%	↓ -8%	↓ -5%

7% of Group EBITDA

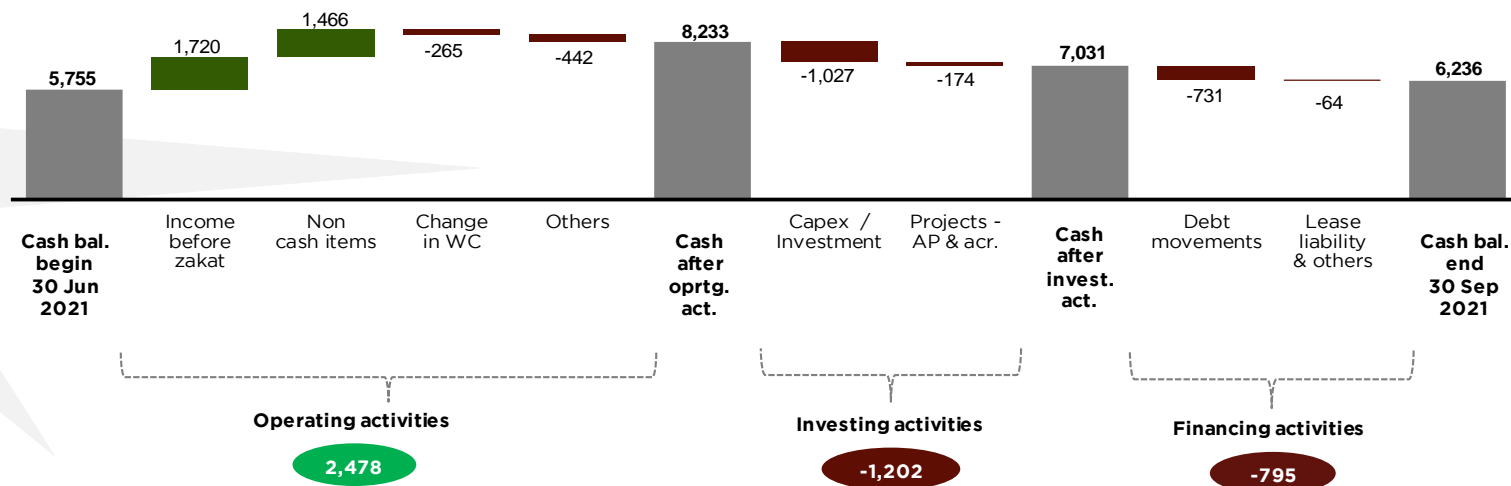
# Quarterly EBITDA and EBITDA margins

Record EBITDA in Q3 2021; Margins stable



# Q3 2021 - Consolidated statement of cash flows

Healthy cash flow from operating activities



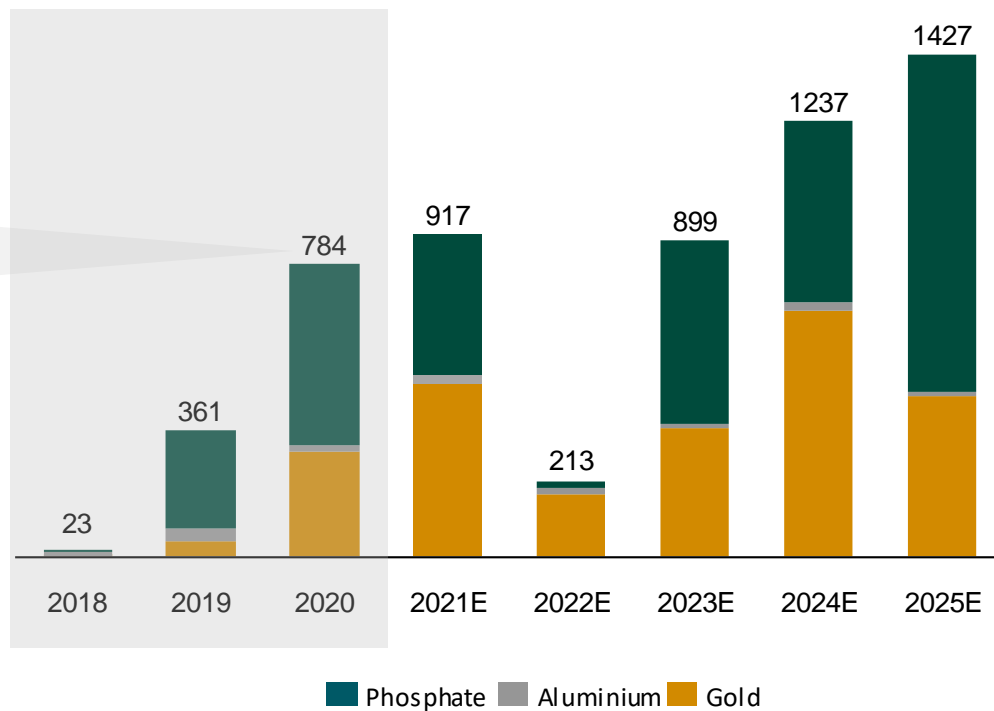
# Financial Ratios

Net debt to EBITDA ratio continues to decrease

		Q3 2021	FY 2020
Profitability	Return on total assets (ROA) (%)	5.4%	0.8%
	Return on total assets excl. CWIP (ROA) (%)	5.8%	0.9%
	Return on total equity (ROE) (%)	10.5%	-2.4%
	EBITDA margin	41.9%	30.3%
	ROIC	6.9%	1.0%
Efficiency	Asset turnover	0.24	0.19
	Inventory turnover	4.8	5.9
	Accounts receivables turnover	5.9	6.2
	Account payable turnover	7.6	7.8
Debt coverage	Interest cover	7.9	3.3
	Net debt:EBITDA	4.1	7.6
Liquidity	Current ratio	1.7	1.5
	Quick (acid test) ratio	1.3	1.2

# Ma'aden Growth Capex (\$Mn)

Ammonia 3 and Mansourah-Massarrah to be completed in 2022



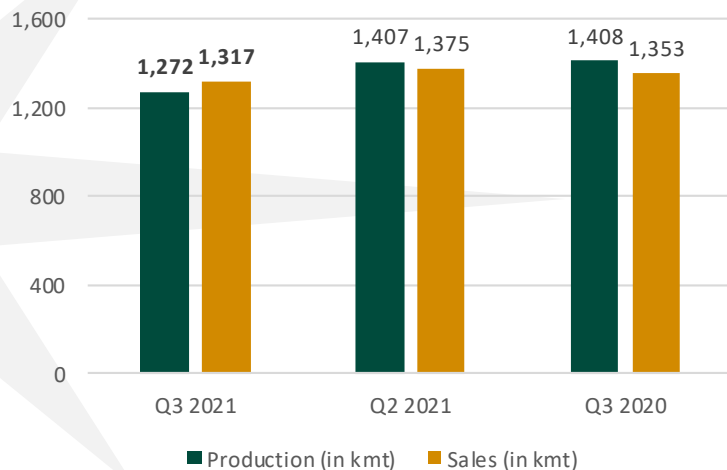
## Q3 2021 - Operational Performance



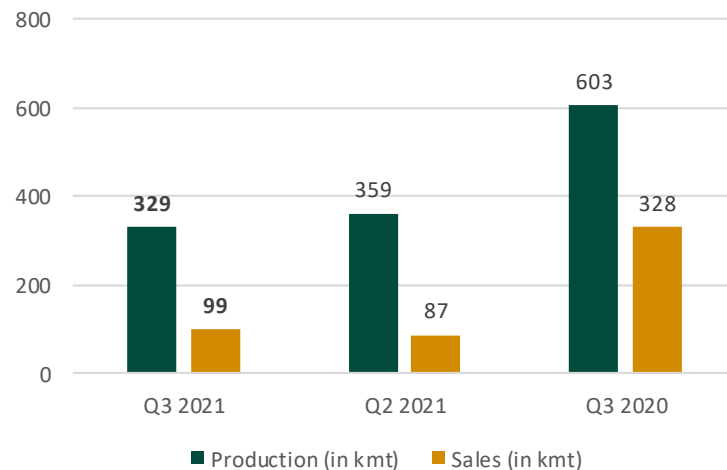
# Phosphate & Ammonia: Production & Sales in Q3 2021

The fire in Q2 affected Q3 numbers

## Ammonium Phosphate Fertilizer



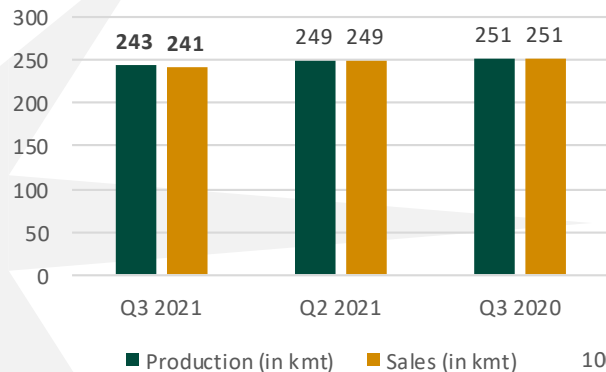
## Ammonia



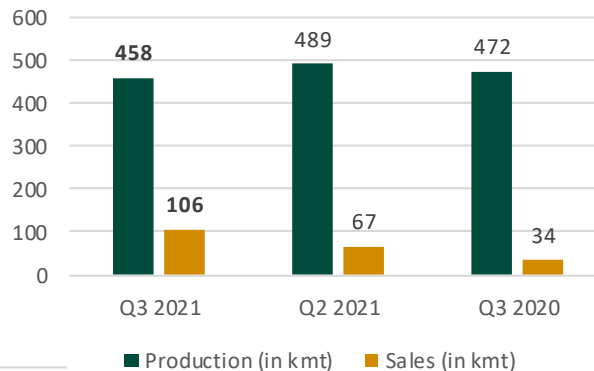
# Aluminum & Alumina: Production & Sales in Q3 2021

Both, Alumina and Aluminum production slightly down

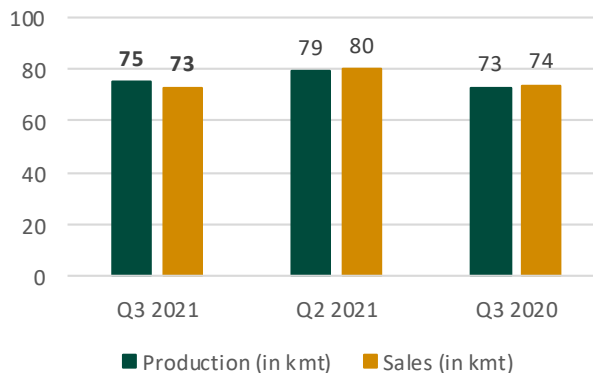
## Aluminum



## Alumina



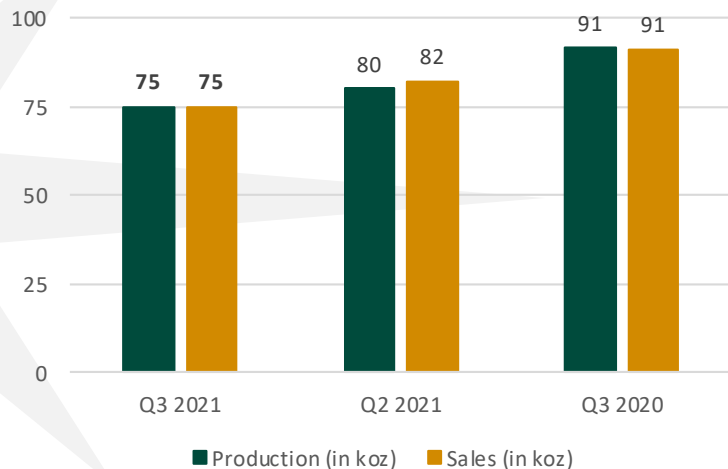
## Flat Rolled Products - Coil



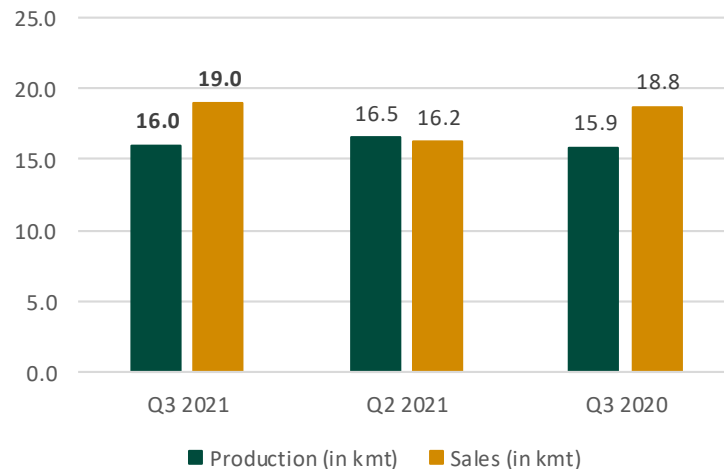
# Gold & Copper: Production & Sales in Q3 2021

Gold production down due to lower grade

## Gold



## Copper





# Abdulaziz A. Al Harbi

Chief Executive Officer (A)

## Updates on Ma'aden's Projects



# Fertilizer Projects

Major capacity expansions are under way

## Ammonia 3

- Expected to produce **1,1kmt** p.a.
- US\$**1,113mn** Budget
- Completion: Q1 2022

## Phosphate 3

- Expected to produce **3,0kmt** p.a.
- US\$**4,219mn** Budget
- Completion: 2025 (Phase 1) 2027 (Phase 2)

## Remediation at Wa'ad Al-Shamal

- Phosphate production to improve from **2.8kmt** in 2021 to **3.1kmt** in 2025

# Gold & Base Metal Projects

On track to achieve the long term target of producing 1mn ounces of gold

## MMGP

- Expected to produce **250k** ounces p.a.
- US\$**880**mn Budget
- First gold: Q2 2022
- Project Completion: Q4 2022

## Mahd Expansion

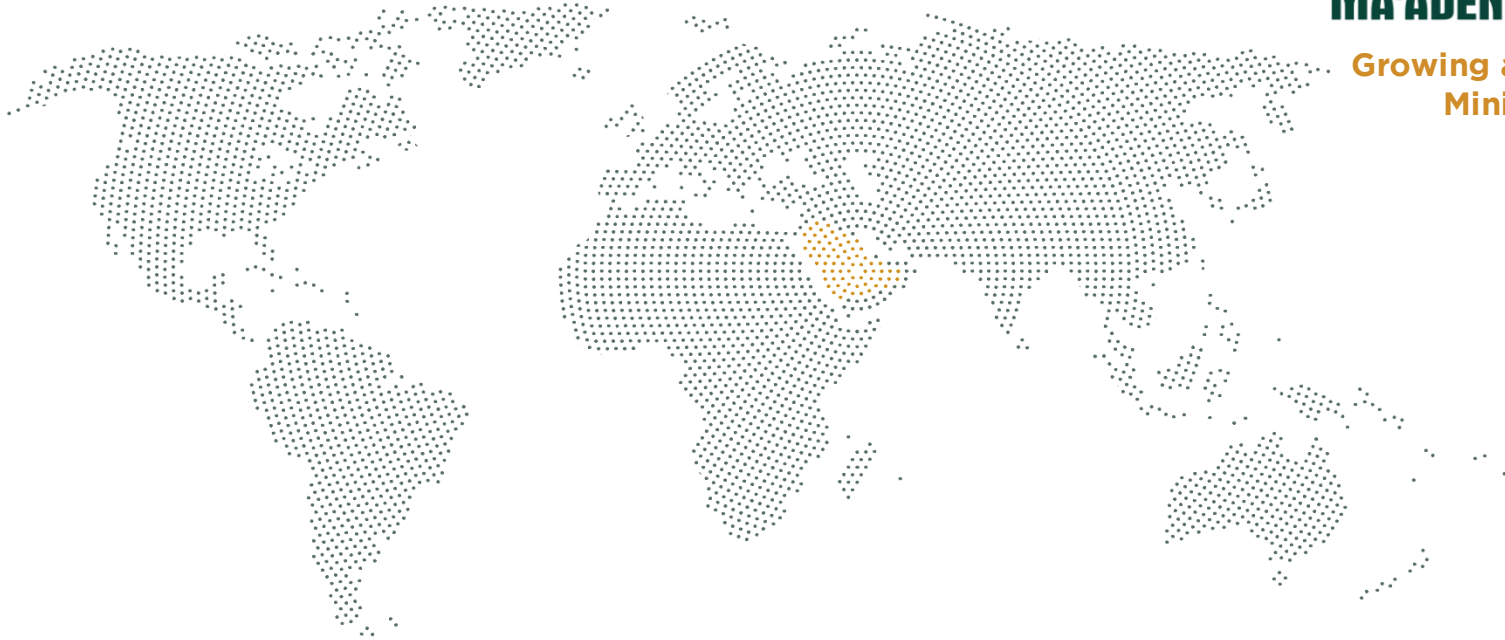
- Expected to produce **222k** ounces p.a. (average over life of mine)
- US\$**670**mn Budget
- Completion: Q4 2025

## Ar-Rujum

- Expected to produce **229k** ounces p.a. (average over life of mine)
- US\$**812**mn Budget
- Completion: Q3 2026

## Q&A





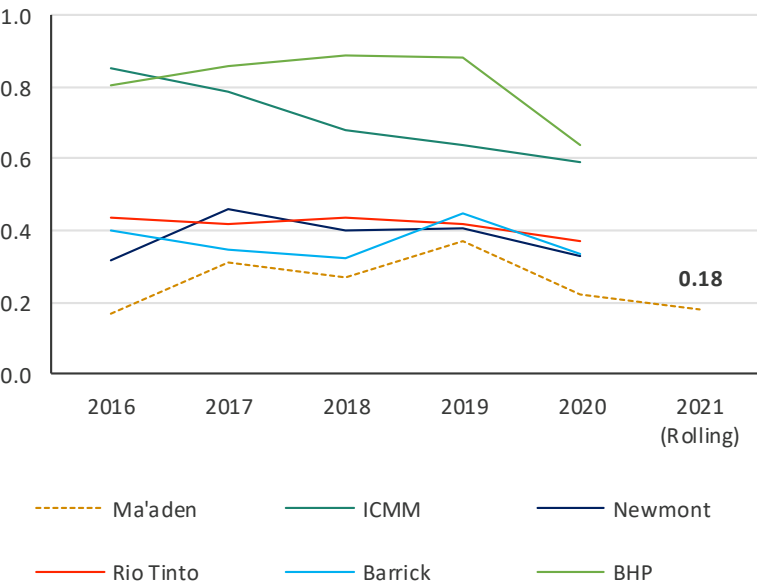
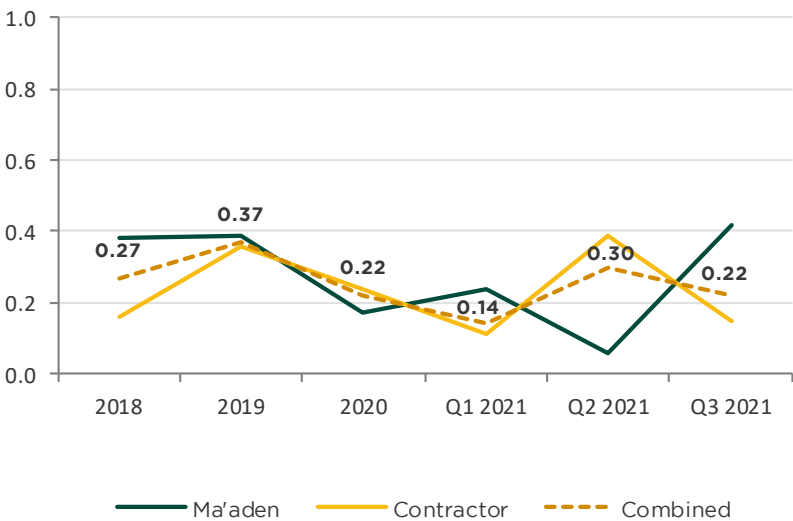
# Thank You

## Appendix



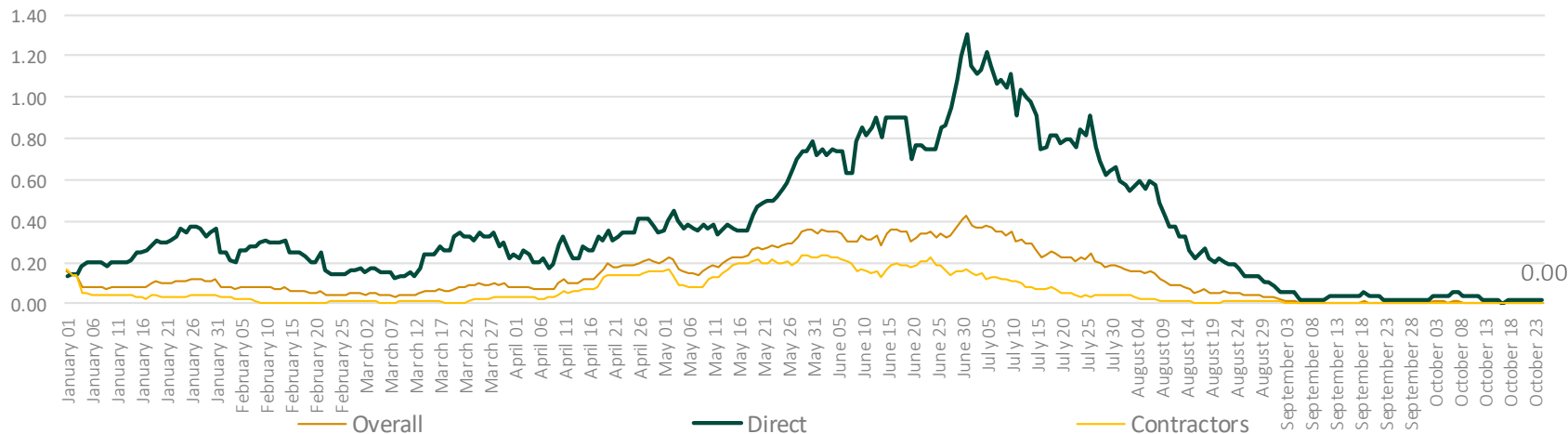
# EHSS Performance

Ma'aden compares favorably with peers



# COVID-19 Update

100% of employees are now vaccinated; current infection rate is 0%



Infection rate is the percentage of the overall workforce with an active COVID-19 infection.

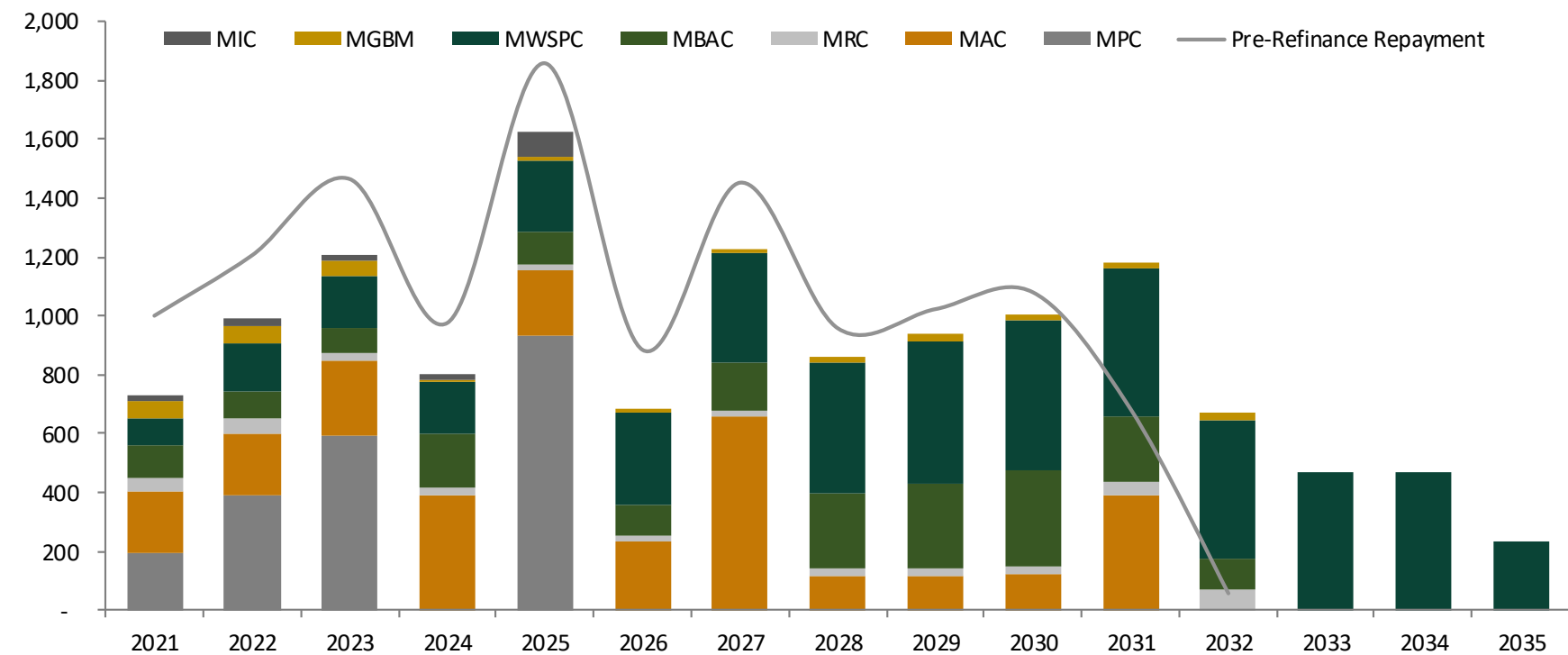
This is calculated by the following formula:

$$\frac{\text{\# of Active Infections} \times 100}{\text{Workforce}} = \text{Rate of Infection}$$

(The provided data included all Maaden Affiliates Employees including contractor count. The total number is approx. 25,000)

# Debt repayment profile

Scheduled debt repayment profile (in USD millions)



# Unplanned shutdowns in 1H 2021

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## Four unplanned shutdowns in 1H 2021

### **Unscheduled shutdown in Phosphate (MPC)**

- Reactor leak, but neither safety injuries or environmental damage
- Duration was **26** days
- Repairs completed on 15 March 2021

### **Unscheduled shutdown in Ammonia (MWSPC)**

- The roof lining was damaged.
- Duration was **9** days
- Repairs completed on 16 April 2021

### **Unscheduled shutdown in Ammonia (MPC)**

- Leaking tubes in the reformer convections section
- Duration was **18** days
- Repairs completed on May 14<sup>th</sup> 2021

### **Fire at MPC on May 20th**

- Announced on the Tadawul stock exchange
- Duration in Q2 was **41** days
- Repairs completed; production restarted on 29<sup>th</sup> Sep 2021