

## EARNINGS RELEASE

### MA'ADEN Reports Fourth Quarter and Full Year 2022 Results

#### Record full year performance

**FY22 sales up 50% to SAR 40.3 billion and net profit up 87% to SAR 12.1 billion**

**RIYADH, 13 February 2023** - Saudi Arabian Mining Company ("Ma'aden" or the "Company", 1211 on the Saudi Exchange), the largest multi-commodity mining and metals company in the Middle East, today reported its financial results for the fourth quarter and full year 2022, marking a period of records in terms of safety and profitability.

#### Full Year 2022

- **Sales of SAR 40.28 billion, up 50%** on FY21 driven by higher sales volumes and higher commodity prices.
- **EBITDA of SAR 18.68 billion, up 51%** on FY21 driven by higher commodity prices, partially offset by higher raw material costs.
- **Normalized EBITDA of SAR 19.21 billion** excluding one-off contractual costs and other adjustments.
- **Net profit of SAR 12.13 billion, up 87%** on FY21 despite increased finance costs and taxes.
- **EPS\* of SAR 3.79** (FY21: SAR 2.12).
- **Normalized EPS of SAR 3.95** when excluding one-offs reflecting the strong underlying performance.
- **Working capital management** improvements contributing to record **cash generated from operations of SAR 16.21 billion, up 71%** on FY21.
- **Financial position strengthened** with long-term borrowings and net debt reduced by 12% and 34% respectively from December 2021. Net debt to EBITDA reduced to 1.3x compared to 3.1x in FY21.
- Board recommends SAR 12.31 billion in retained earnings to be capitalized and **bonus shares to be distributed** to shareholders on a 1:2 basis.

## Fourth Quarter 2022

- **Sales of SAR 9.47 billion, up 11%** year-on-year driven by higher sales volumes, partially offset by lower commodity prices.
- **EBITDA of SAR 3.26 billion, down 23%** year-on-year, driven by higher raw materials costs, lower commodity prices, and one-off costs.
- **Normalized EBITDA of SAR 3.48 billion** excluding one-off adjustments.
- **Net profit of SAR 1.27 billion, down 53%** year-on-year due to higher depreciation, taxes, and finance charges as a result of increased interest rates.
- **EPS\* of SAR 0.41** (Q4-FY21: SAR 0.85).

### Robert Wilt, Ma'aden CEO:

"Ma'aden delivered its safest and most profitable year ever. The transformation initiated a year ago is showing results. Financially, sales and profits grew by 50% and 87% respectively with working capital improvements contributing to record cash generation levels and the further strengthening of our balance sheet.

From an operational viewpoint, the business is in good shape as we continue to drive efficiencies and take proactive measures to address the changing environment. Furthermore, we are investing in the next generation of low-cost, long-life projects, improving exploration and project delivery capabilities, and putting health, safety, and the well-being of our people at the center of our plans for the future. We've also made significant progress towards our ambitious growth targets following the commissioning of Ammonia 3, the awarding of the EPCM contract for Phosphate 3, Mansourah-Massarrah nearing commercial production and over 2 million ounces of gold reserves added to our portfolio.

Looking ahead, we are focused on sustainable growth and financial discipline supported by a capital allocation framework set to deliver long term shareholder value. We will continue to invest in our operations and the exploration of the Kingdom but also seek upstream growth through domestic and international joint ventures and partnerships that will secure new sources of minerals and metals, while minimizing exploration risk."

## SUMMARY OF FINANCIAL RESULTS

SAR million	Quarterly			Full Year		
	Q4-FY22	Q4-FY21	variance	FY22	FY21	variance
Sales	9,472	8,519	+11%	40,277	26,769	+50%
EBITDA	3,263	4,260	-23%	18,679	12,347	+51%
Normalized EBITDA**	3,483	4,260	-18%	19,207	12,347	+56%
Net Profit	1,271	2,684	-53%	12,129	6,481	+87%
EPS* (SAR)	0.41	0.85	-51%	3.79	2.12	+78%
Normalized EPS** (SAR)	0.48	0.85	-44%	3.95	2.12	+86%

\* As a result of issuance of bonus shares in Q2-FY22, EPS for prior periods has been revised to ensure comparability.

\*\*Excluding one-off contractual costs and other adjustments in the Aluminium segment.

## FOURTH QUARTER AND POST-PERIOD HIGHLIGHTS

- Strong focus on safe operations:** Safest year ever through further progress in the downward trajectory of the AIFR (All Injuries Frequency Rate) metric to 0.13 (FY21: 0.20).
- New JV with PIF to establish a new company to invest in mining assets globally:** The new company will be 51% owned by Ma'aden and will initially invest in iron ore, copper, nickel, and lithium, as a non-operating partner taking minority equity positions in mining assets globally and will significantly expand Ma'aden's international footprint as part of its growth strategy.
- Strategic partnership with Ivanhoe Electric (IE) to explore strategic minerals in Saudi Arabia:** Signed Heads-of- Agreement to acquire a 9.9% interest in IE and form a joint venture to explore highly prospective areas in the Kingdom. Ma'aden will have access to IE's proprietary Typhoon™ technology, helping to accelerate, de-risk and advance geophysical exploration.
- Extended relationship with Barrick Gold Corporation:** Building on the already successful copper joint venture, two new joint venture agreements have been entered into with Barrick to explore and develop the Jabal Sayid South and Umm Ad Damar license areas.

- **Signed EPCM contract for Phosphate 3 Phase 1 project:** Signed an Notice of Award for an Engineering, Procurement and Construction Management (EPCM) services contract with Worley Arabia Limited and JESA International S.A. for the construction of Phosphate 3 Phase 1 project, an integrated production complex in Wa'ad Al Shamal and Ras Al-Khair that will produce 1.5 MT per year of phosphate fertilizers, which will significantly boost Ma'aden's fertilizer sales and exports.
- **Commissioning of Mansourah-Massarrah continues during H1-FY23:** The plant is expected to produce an average of 250,000 ounces per annum of gold and will be Ma'aden's largest gold project to date as part of the Company's plans to significantly expand its production.
- **Signed a further 20 agreements and MOUs with globally leading organizations at the recent Future Minerals Forum in Riyadh:** The agreements will integrate new technologies into Ma'aden's exploration and mining operations, further reducing energy consumption, improve water and environmental management, advance decarbonization and improved health and safety. Partners include companies such as Nokia, Shell, Bechtel and Eurasian Resources Group (ERG) S.à.r.l.
- **Extended revolving credit facility for a further five years:** The renewed Murabaha financing facility, which is currently undrawn, was increased from SAR 7.50 billion to SAR 11.25 billion to reduce the risk of commodity price downturn, strengthen the Company's liquidity and support future growth projects.

## MA'ADEN RESULTS BY REPORTING SEGMENT

MA'ADEN operates through three business units (BUs). The reporting segments are as follows: 1) Fertilizers, 2) Aluminium, and 3) Base Metals and New Minerals.

## 1. Fertilizers

SAR million	Quarterly			Full Year		
	Q4-FY22	Q4-FY21	<i>variance</i>	FY22	FY21	<i>variance</i>
	Sales	6,551	5,104	+28%	26,723	14,583
EBITDA	3,246	2,664	+22%	15,584	6,848	+128%

Sales and EBITDA performance in the Fertilizer Business Unit were driven by higher sales volumes and commodity prices, although this was partially offset in Q4 by softer commodity prices and higher operating costs.

Q4 average realized prices were \$894/MT for ammonia (Q4-FY21: \$626) and \$696/MT for DAP (Q4-FY21: \$705). FY22 average realized prices were \$938/MT for ammonia (FY21: \$504) and \$843/MT for DAP (FY21: \$578).

## 2. Aluminium

SAR million	Quarterly			Full Year		
	Q4-FY22	Q4-FY21	<i>variance</i>	FY22	FY21	<i>variance</i>
	Sales	2,313	2,824	-18%	11,280	9,890
EBITDA	45	1,520	-97%	2,845	4,725	-40%
Normalized EBITDA**	265	1,520	-83%	3,373	4,725	-29%

The Aluminium Business Unit was impacted by significantly weaker commodity prices in Q4 coupled with sustained higher raw material costs, in addition to one-off adjustments.

Q4 average realized prices were \$323/MT for alumina (Q4-FY21: \$393), \$2,384/MT for primary aluminium (Q4-FY21: \$3,046) and \$3,477/MT for FRP (Q4-FY21: \$3,825). FY22 average realized prices were \$376/MT for alumina (FY21: \$329), \$2,892/MT for primary aluminium (FY21: \$2,525) and \$3,981/MT for FRP (FY21: \$3,438).

### 3. Base Metals and New Minerals

SAR million	Quarterly			Full Year		
	Q4-FY22	Q4-FY21	<i>variance</i>	FY22	FY21	<i>variance</i>
Sales	599	591	+1%	2,252	2,297	-2%
EBITDA	139	258	-46%	772	1,062	-27%

Base Metals and New Minerals Business Unit performance was mainly affected by higher operating costs.

The average realized gold price was \$1,743/oz in Q4 (Q4-FY21: \$1,795) and \$1,796/oz in FY22 (FY21: \$1,799).

#### CAPITAL ALLOCATION FRAMEWORK

Ma'aden has undertaken a comprehensive review to determine the most appropriate capital allocation framework to deliver on its ambitions in the most appropriate manner. The framework is aligned with its role in supporting Vision 2030 to strengthen Saudi Arabia's position in the global supply chain, contribute to economic diversification and growth, and solidify the Kingdom's strategic position in the metals of the future.

The primary focus remains on the development of the mineral endowment of Saudi Arabia through exploration and organic growth as evidenced by the recent partnerships and announcements. Internationally, strategic initiatives such as the recent joint-venture with the Public Investment Fund will be the platform for investments in global mining assets on a shared-risk basis and through knowledge and expertise transfers. This partnership will support Ma'aden's access to global know-how, increase its global visibility and access to transactions and future deal flow.

The Company will continue to target the reduction of the outstanding debt to strengthen its financial position and enhance the ability to take advantage of future market opportunities and ensure readiness to respond to challenges. Therefore, the framework does not include cash dividends in the short-term.

Ma'aden is confident that this strategy will drive positive results and maximize long-term value for all stakeholders, including shareholders, by strategically deploying and investing capital for growth.

**OUTLOOK FOR 2023**

Ensuring high levels of safety and embedding ESG best practices across operations remain top priorities for Ma'aden.

The new operating model introduced during 2022 will continue to improve performance across all divisions.

In the complex current global environment, Ma'aden will continue to actively manage supply-side risks to deliver on its commitment to customers.

On the growth side, initial commercial production at Mansourah-Massarrah and the kick-off of the Phosphate 3 Phase 1 project are on track for H2-FY23.

The newly announced joint-ventures will also be a key focus area, in line with the capital allocation framework, driving local and international long-term growth opportunities and generate shareholder value.

In line with the production capacity increases following the completion of the Ammonia 3 project and remedial projects concluded in 2022, an intensive pot relining program in Aluminium, Mansourah-Massarrah coming on stream and the optimization of the gold portfolio, the following guidance is provided:

**Production Guidance**

	Unit	Lower	Upper
P2O5	KMT	2,500	2,900
Ammonia	KMT	3,100	3,500
Alumina	KMT	1,600	1,825
Primary Aluminium	KMT	600	730
Casthouse	KMT	780	940
Flat Rolled	KMT	290	340
Gold	Koz	360	420

**CAPEX Guidance**

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

## **ANALYST CALL AND EARNINGS PRESENTATION**

Ma'aden will be hosting an analyst call on 27 February 2023 at 3PM Saudi time to present its Q4-FY22 / Full Year 2022 financial results. For conference call details, please email [invest@maaden.com.sa](mailto:invest@maaden.com.sa).

## **ABOUT MA'ADEN**

Ma'aden is the largest multi-commodity mining and metals company in the Middle East and among the fastest-growing mining companies in the world, with revenues of SAR 40.3 billion (\$10.7 billion) in 2022. We are developing the mining industry into the third pillar of Saudi economy in line with Vision 2030, and aim to be a role model in responsible and sustainable operations.

We operate 17 mines and sites, have 6,000+ direct employees and export products to over 30 countries. We are embarking on massive growth over the next 18 years across our phosphate, aluminium, gold, copper and new minerals – to leverage the Kingdom's estimated \$1.3 trillion mineral endowment and international opportunities.

For more information, please visit <https://www.maadens.com.sa>

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