

Saudi Arabian Mining Company (Ma'aden)

Investor Presentation – Q2 2020 Results





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Mosaed Sulaiman Al Ohali
Chief Executive Officer

Ma'aden's 2025 Strategy

“Sustainable mining champion with global presence”



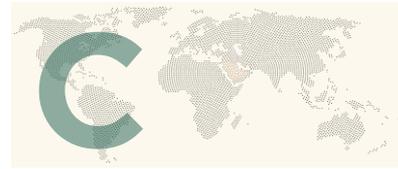
Pillar 1: Operational, capital and commercial excellence

- 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

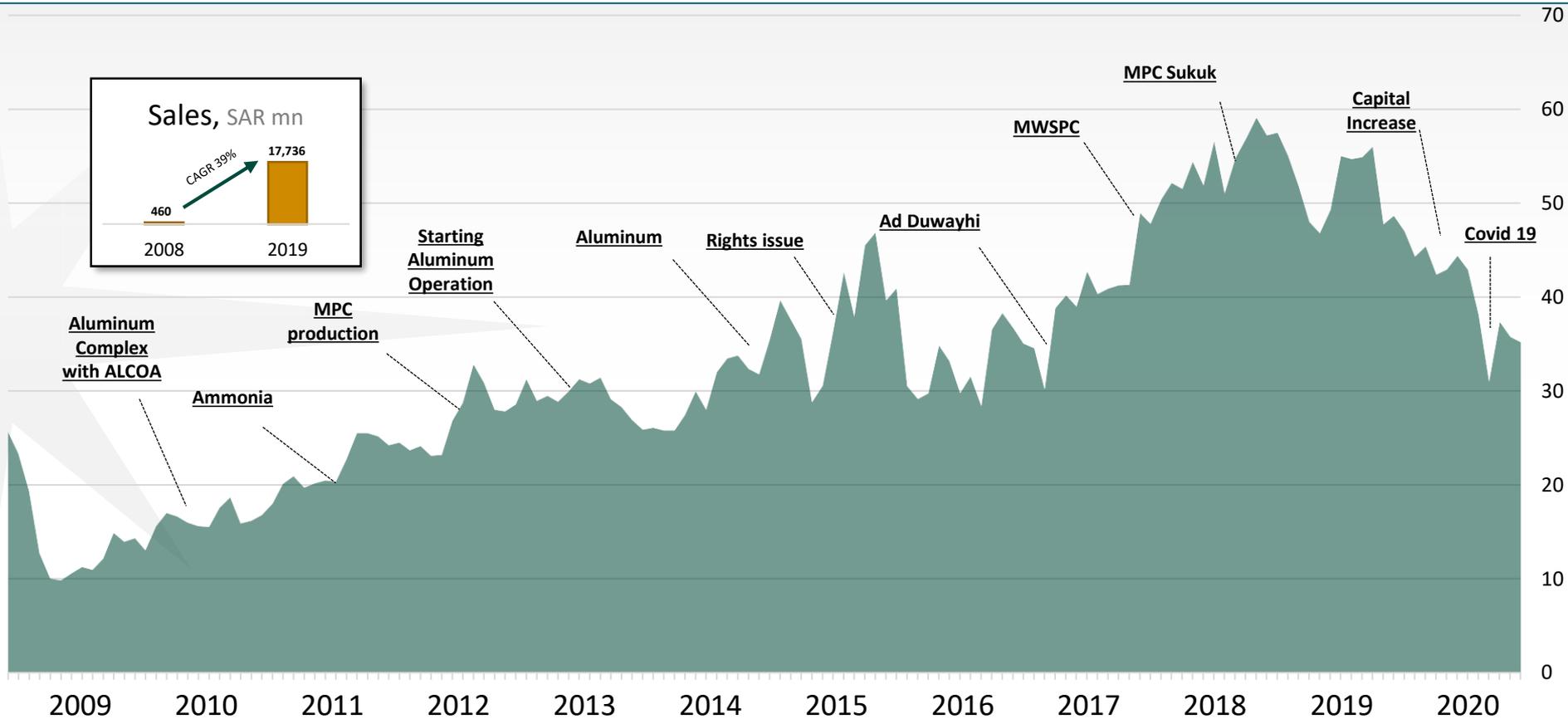
- Leverage world-class mineral deposits in Saudi Arabia to grow as a global industry leader
- Grow globally in selected commodities



Foundations : Sustainability and capability building

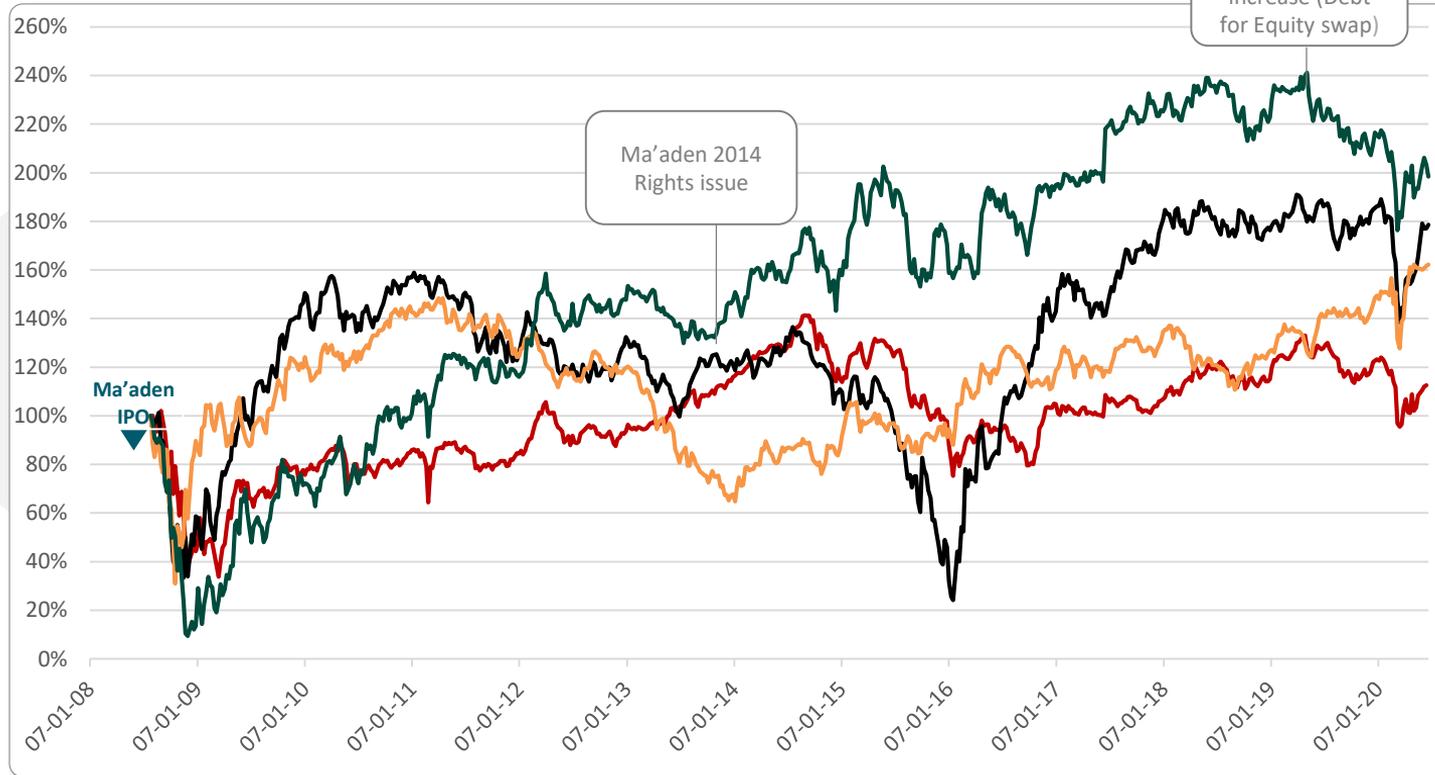
- Build best-in-class safety culture and practices across the organization and foster a zero-harm environment
- Strengthening capabilities and preparing leaders in all core business units to achieve Ma'aden's aspiration for growth
- Lead stewardship of the mining industry in Saudi Arabia and its ecosystem

Ma'aden's growth since its IPO



Ma'aden's outperformed peers and the market

Share price returns (indexed to 100)



Annualized return, Percent

Ma'aden	8.2%
Mining Giants ¹	6.5%
Pure players ²	5.2%
Saudi INDEX	0.9%

(1) Includes: Anglo American, BHP, Glencore, Rio Tinto, Vale & Vedanta

(2) Includes: Aluminum Corp of China, Rusal, Mosaic, Phosagro, Barrick, GoldFields, Newmont



Health, Safety, Security & Environment (HSSE)



SafeSTEPS Change Management Strategy



Safety Culture

Leaders drive the positive safety culture at all levels, including contractors, by:

- Being visible and demonstrating positive behaviors.
- Promoting a reporting culture with communication at all levels.
- Seeking, providing, and acting on feedback.
- Promoting a culture where everyone is encouraged to speak freely, and is recognised for contributions.

Process

Leaders promote the Ma'aden HSE Management System Framework as 'the way we operate' by:

- Assuring that processes in their operations and functions are fit-for-purpose, well understood, and practiced.
- Ensuring procedural compliance.
- Driving continuous improvement processes utilized to enhance safety and operational performance
- Integrating safety into all business functions and processes.

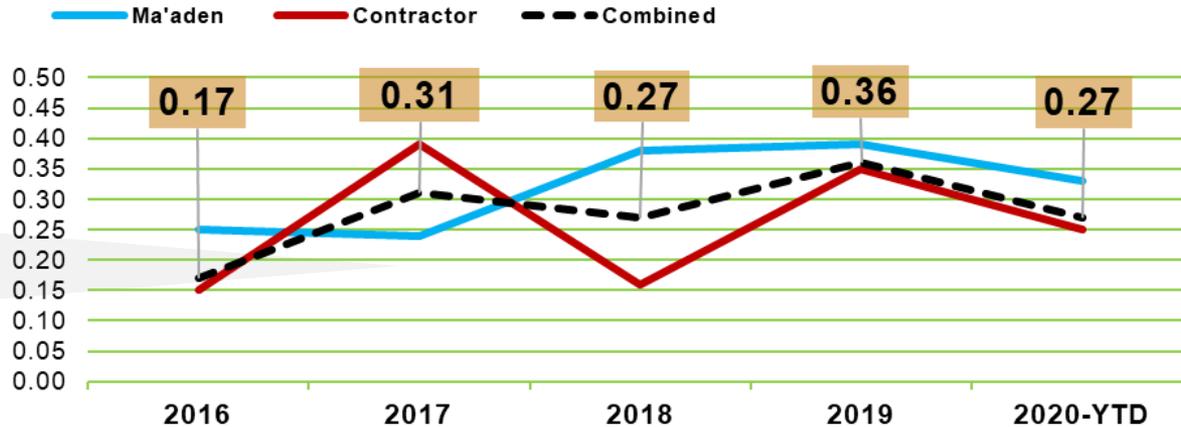
Enablement

Leaders promote systems / processes enablement to deliver safe operations by:

- Use of digital solutions
- Delivering asset integrity through advanced technologies.
- Leveraging digitalization to enable enhanced process safety management.
- Innovating the way we operate and safeguard

TRIR Performance

Total Recordable Injury Rate (TRIR)



- Contractor Management Systems
- Vehicle Safety
- Effective Leadership



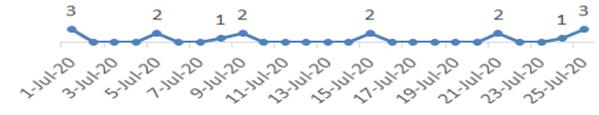
Covid-19 Update



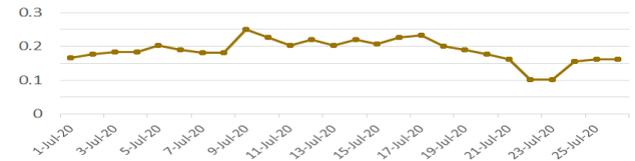
CV-19 Risk Management Summary

- Since the emergence of CV-19, our crisis management processes were enacted and risks identified. Generally, risks fell into two categories:
 - Health and safety of our workforce
 - Business continuity of our operations
- Our health and safety response followed the protect, detect and isolate framework with a dual focus on managing health and safety in our operations under an abnormal operating environment; while ensuring we protect our people (employees and contractors) from the virus.
- Our response was underpinned by partnerships with relevant stakeholders including MoH, Royal Commission, local Governorates and others.
- Our largest exposure came from high density contractor camps. This was well managed under Contractor Oversight Taskforce, whose was successful in bringing contractors infection rates under control.
- For business continuity, our in-bound and out-bound value chains were assessed and all potential risks mitigated. Manpower planning was conducted to ensure sufficient personnel coverage with contingent capacity. Where required product portfolio were managed to ensure maximum operating capacity.
- Our projects teams worked with closely with the PMC/EPC's on response and continuity planning. This generally went well but for two major incidents, Mansourah Massarah and Jalamid, both now well under control.
- In addition, we ensured a constant focus on collection as part of a wider cashflow management strategy.

Daily Number of Positive Cases - Overall Maaden



COVID-19 Over All Daily Infection Rate





Q2 2020 Update



Q2-2020 Production Update

Covid-19 and commodity prices posed a variety of challenges



Production

- **Ammonium Phosphate** production was **1,233kt** (down 7% y-o-y and up 6% q-o-q)
- **Ammonia** production was **563kt** (down 6% y-o-y and down 2% q-o-q)
- **Aluminum** production was **254kt** (up 6% y-o-y and up 6% q-o-q)
- **Alumina** production was **429kt** (down 8% y-o-y and up 1% q-o-q)
- **Gold** production was **115koz** (up 35 % y-o-y and up 2% q-o-q)
- **Copper** production was **8.7kmt** (up 16% y-o-y and down 6% q-o-q)

Q2-2020 Financial Performance Update

Lower commodity prices (ex gold) caused higher net loss



Financial Performance

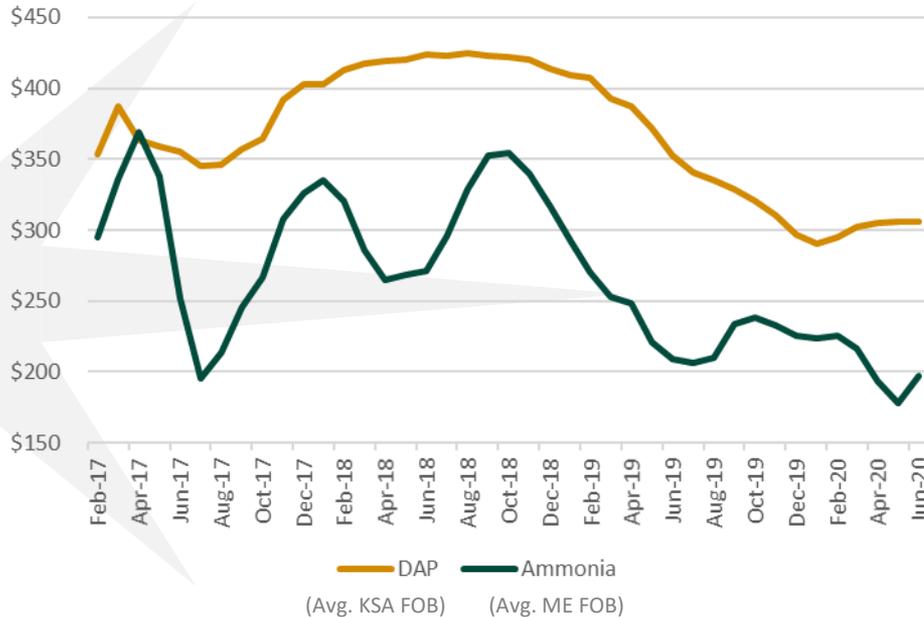
- **Sales** reached SR**4.0**bn; down 8% q-o-q, due to lower prices (except gold and APF) and lower Meridian sales; and down 7% y-o-y, due to lower prices (except gold and FRP), partially offset by higher volumes of gold
- **EBITDA** reached SR**1.1**bn; slightly lower q-o-q, mainly due to lower sales, partially offset by lower operating costs. Likewise, EBITDA was down 18% y-o-y, due to the same reasons
- **Net loss** was SR**0.73**bn, higher than the SR**0.64**bn in Q1, mainly due to lower EBITDA, higher depreciation, finance cost and lower share in JV income. Also higher than the Q2-19 net loss of SR**0.59**bn, mainly due to lower EBITDA and higher depreciation, partially offset by lower finance cost and income tax
- **Cash** generated from operations was SR**0.50**bn; down 22% q-o-q
- **Working capital** stood at SR**4.5**bn; down 2% q-o-q

Market Prices & Outlook



Q2 2020 - Phosphate & Ammonia Prices

Phosphate prices slightly up; Ammonia prices down



Phosphate :

- Q2 prices up 3% vs. Q1 due to healthy seasonal demand in key phosphates markets
- Prices seem set to remain firm for Q3, because supply positions remain relatively tight

Ammonia :

- Q2 prices down 15% vs. Q1 due to weak demand in industrial sectors
- Towards the end of Q2, East-of-Suez saw some recovery on tight supply and improved demand, primarily from fertilizer sector
- With recent shutdowns, supply is being reduced for Q3, but demand is not expected to recover enough to support the recent uptrend in prices

Source: Bloomberg

Q2 2020 - Aluminum & Alumina Prices

Chinese demand returning fast : LME Prices on an uptrend in June



Aluminum :

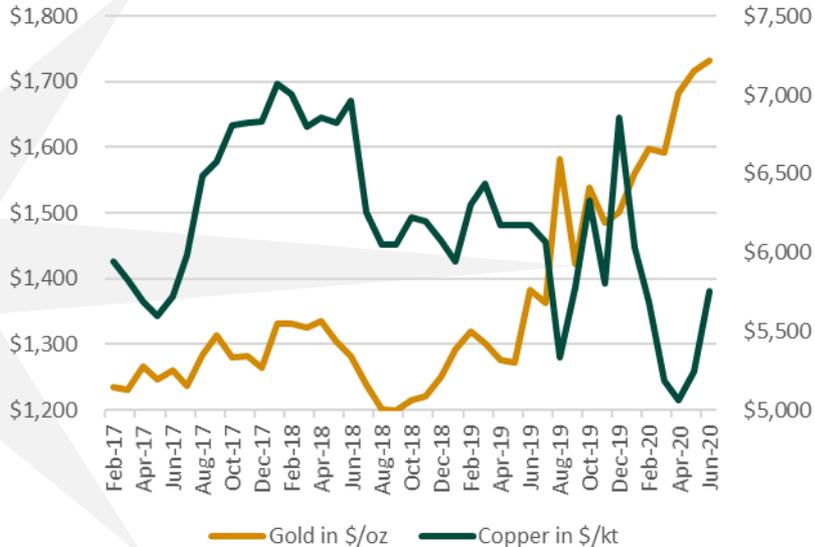
- Easing of lock down in Q2 has led to demand returning at a fast pace in China and slowly in the rest of the world
- LME prices started its uptrend rally from June after bottoming out in April-May

Alumina :

- Alumina spot prices have made moderate gains over the past month amid firm Chinese demand and higher aluminum prices

Q2 2020 - Gold & Copper Prices

Gold price climbed higher; Copper price started to recover



Gold :

- Recent volatility in the financial markets amid the COVID-19 pandemic has strengthened gold prices
- Gold could face short-term rising price pressure in this highly volatile environment as activity data could get worse in Q3

Copper :

- Inventory buildup weighing on prices over the coming months
- Quicker than expected recovery in global economy in general and Chinese economy in particular is expected to drive growth in copper prices in H2 (subject to wave II of COVID-19)

Source: Bloomberg

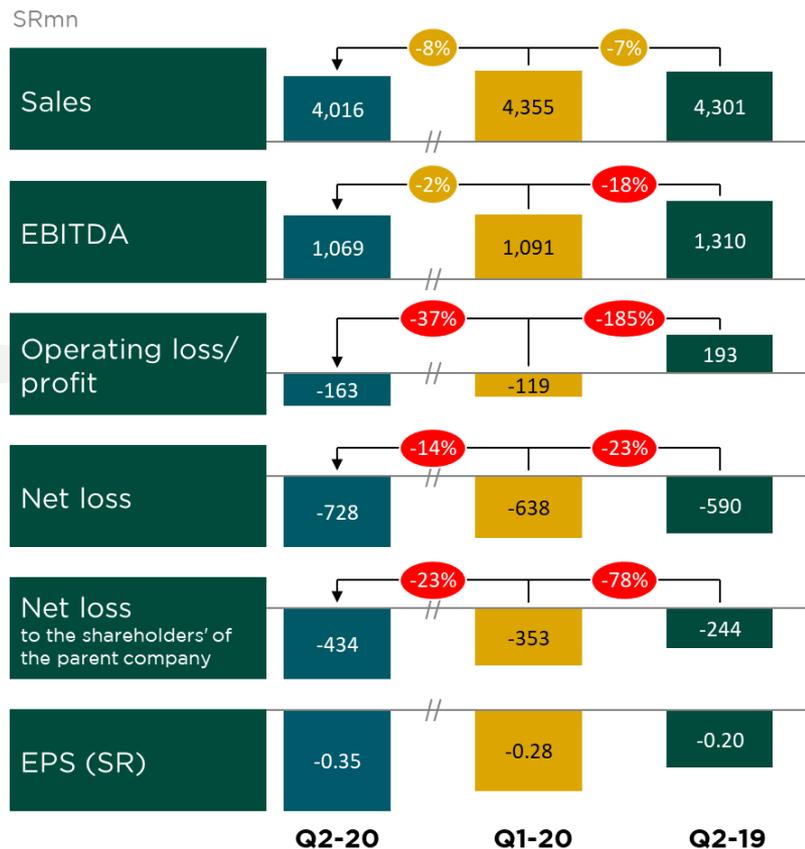


Khaled S. Al Khattaf

Sr. Vice President – Finance & CFO



Consolidated Key Financial Results

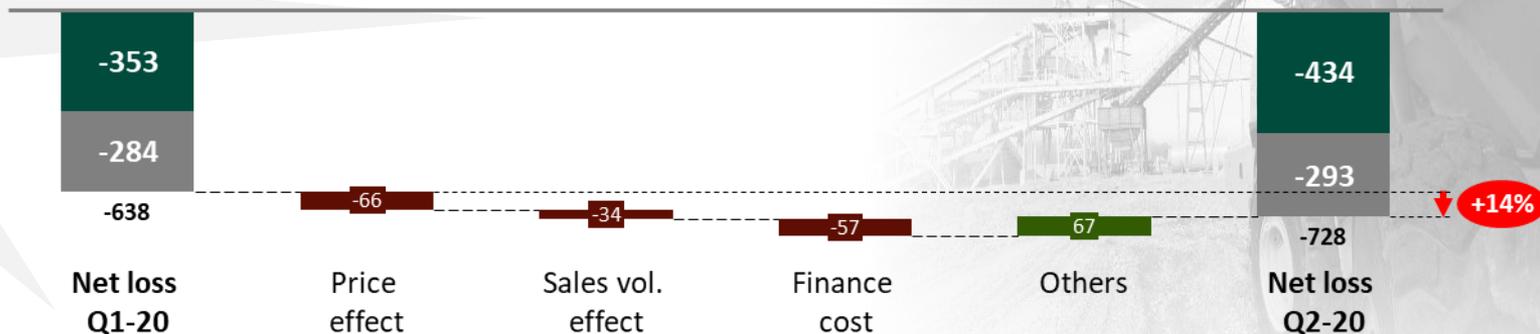


Q2-20 net loss is higher than Q1-20 mainly due to lower commodity prices except APF and Gold combined with higher G&A & exploration cost

Movement in net profit/ loss by line items - quarterly (q-o-q)

SRmn

- Loss attributed to the shareholders' of parent co.
- Loss attributed to minority interest

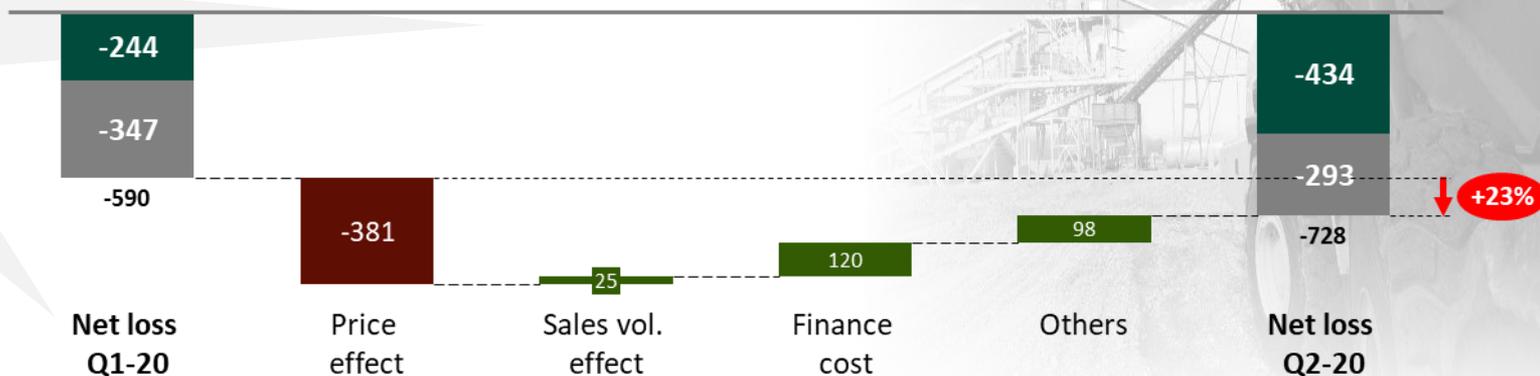


Q2-20 net loss is higher than Q2-19 mainly due to lower commodity prices except Gold and FRP combined with higher G&A, explo and depn. cost

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

SRmn

- Loss attributed to the shareholders' of parent co.
- Loss attributed to minority interest



Consolidated Sales and EBITDA by Segment

Consolidated

	Q2-20	vs. LY Qtr.	vs. Prev. Qtr.
Sales (SRmn)	4,016	↓-7%	↓-8%
EBITDA* (SRmn)	1,069	↓-18%	↓-2%
<i>EBITDA margin</i>	27%	↓-4%	↑2%

Phosphate

	Q2-20	vs. LY Qtr.	vs. Prev. Qtr.
Sales (SRmn)	1,627	↓-22%	↓-15%
EBITDA* (SRmn)	334	↓-42%	↑115%
<i>EBITDA margin</i>	21%	↓-7%	↑12%

31% of Group EBITDA

Aluminium

	Q2-20	vs. LY Qtr.	vs. Prev. Qtr.
Sales (SRmn)	1,636	↓-8%	↓-7%
EBITDA* (SRmn)	364	↓-40%	↓-42%
<i>EBITDA margin</i>	22%	↓-12%	↓-13%

34% of Group EBITDA

Gold

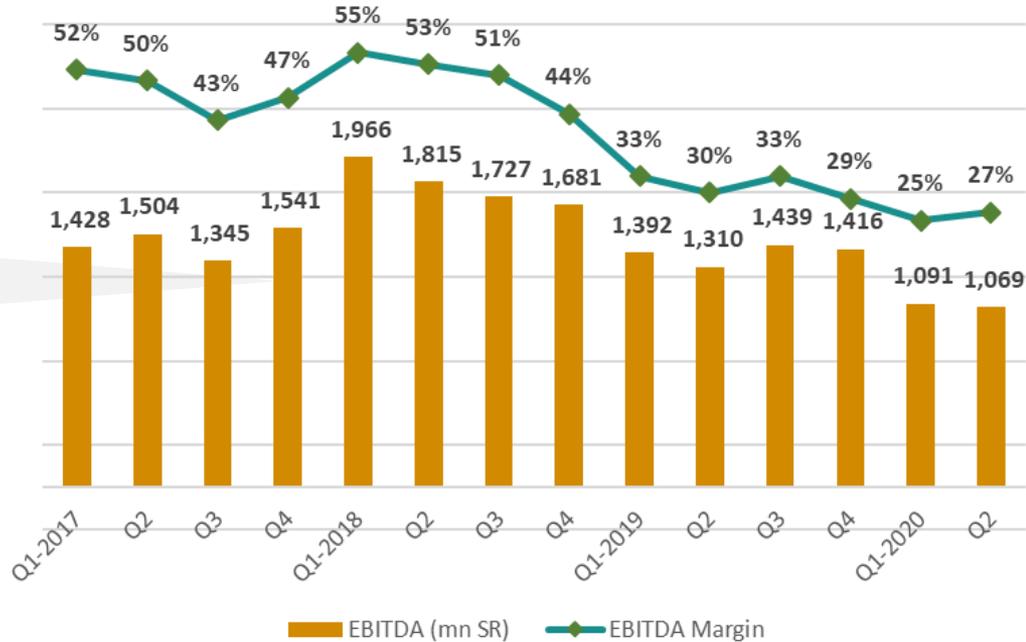
	Q2-20	vs. LY Qtr.	vs. Prev. Qtr.
Sales (SRmn)	753	↑79%	↑10%
EBITDA* (SRmn)	371	↑184%	↑19%
<i>EBITDA margin</i>	49%	↑18%	↑4%

35% 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

Quarterly EBITDA and EBITDA margins

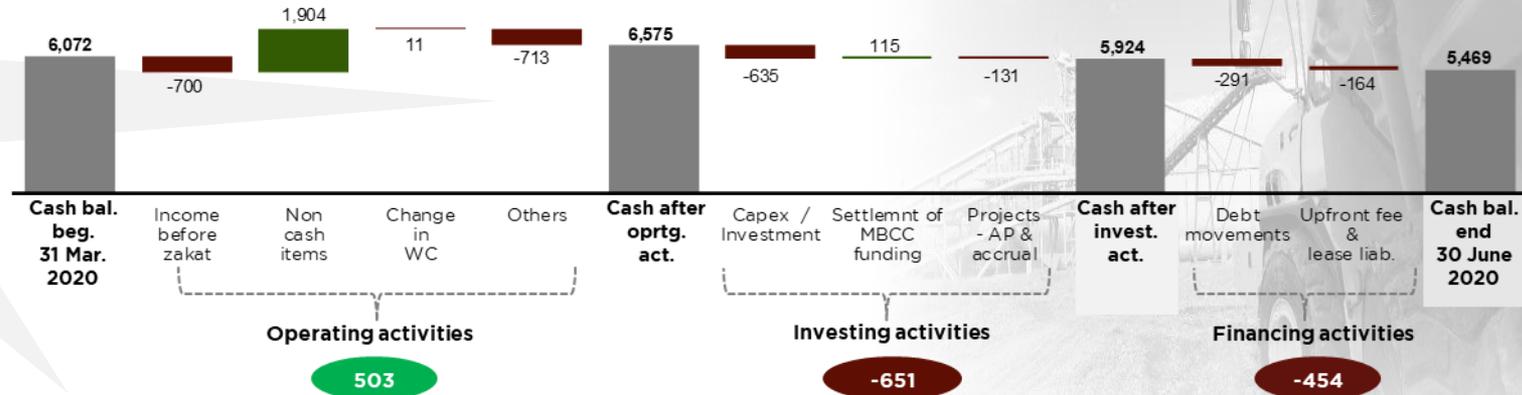
Resilient despite falling prices (apart from gold)



Consolidated interim statement of cash flows

For quarter ended 30 June 2020

SRmn



Consolidated Cash Flow Statement

Strong cash position in Q1 2020

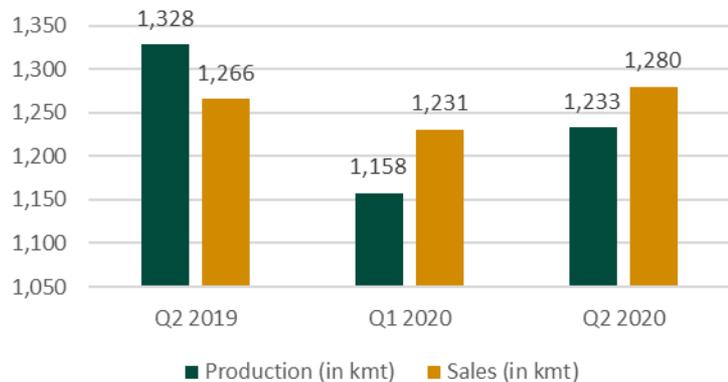
	Q2	Q1	Q2	q-o-q	y-o-y
Comparative analysis	2020	2020	2019	%	%
Cash generated from operating activities	503	649	573	-22%	-12%
Cash utilized in investing activities	(651)	(949)	(499)	-31%	31%
Cash generated from financing activities	(454)	(419)	(979)	8%	-54%
Net change in cash	(603)	(720)	(905)	-16%	-33%
Cash Closing	5,469	6,072	7,522	-10%	-27%

Operational Performance

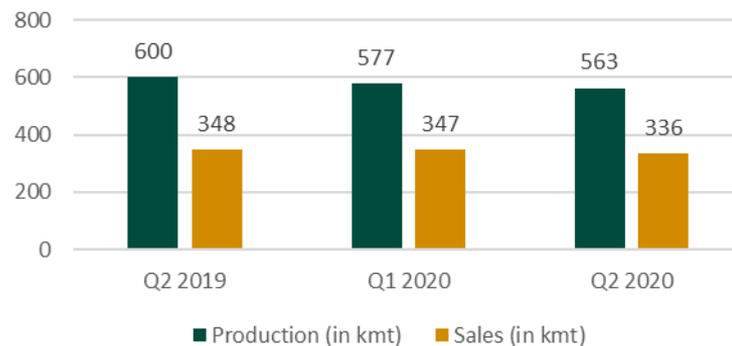


Phosphate & Ammonia: Q2-2020 Production & Sales

Ammonium Phosphate Fertilizer

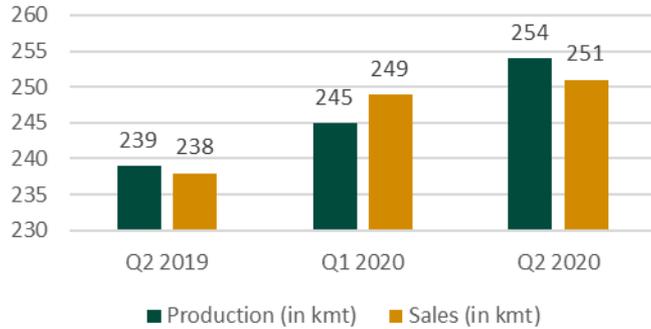


Ammonia

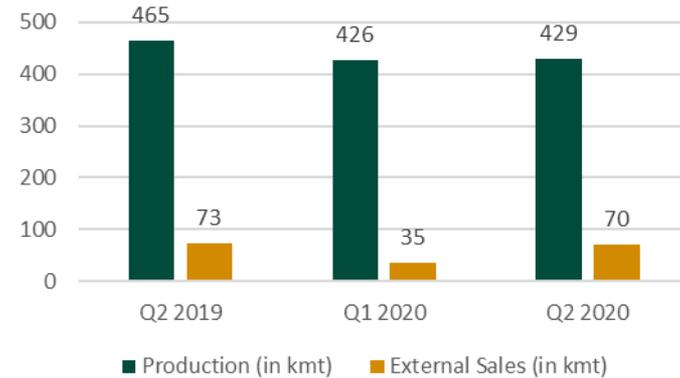


Aluminum & Alumina: Q2-2020 Production & Sales

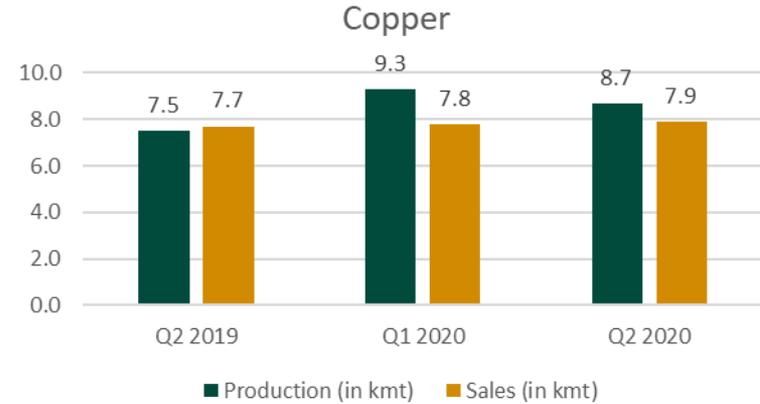
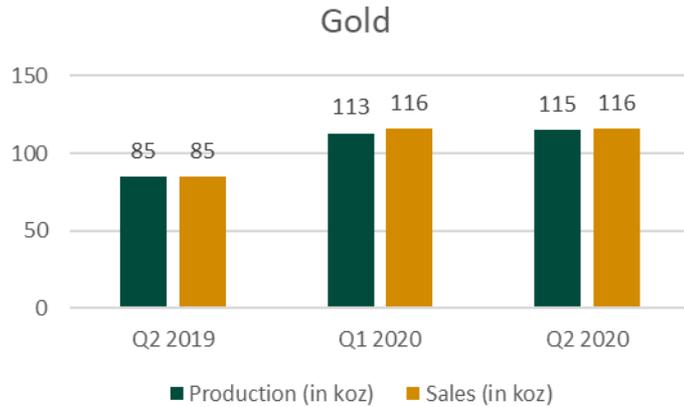
Aluminum



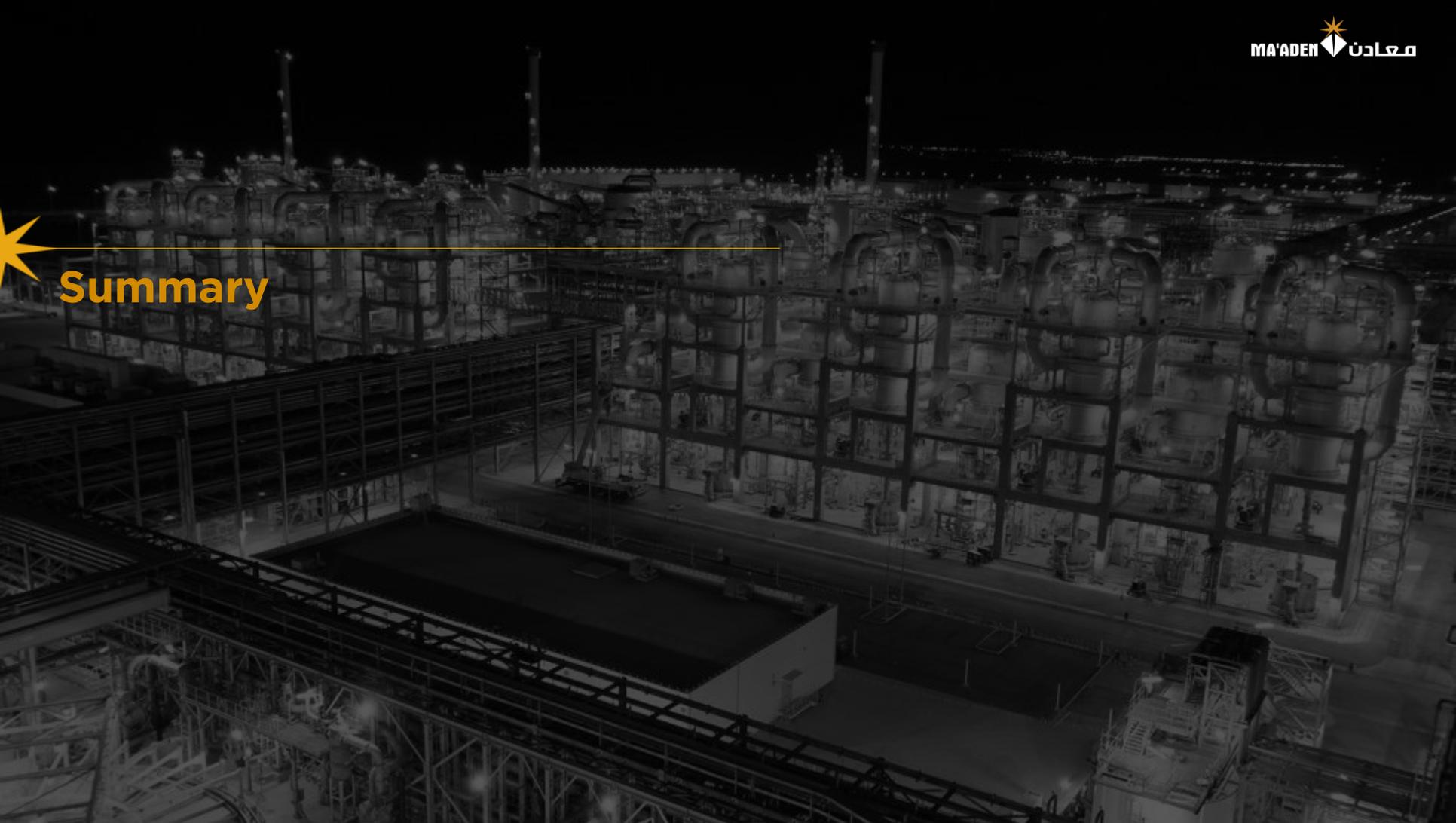
Alumina



Gold & Copper: Q2-2020 Production & Sales



Summary



Q2-2020 Summary

Covid-19 and commodity prices posed a variety of challenges

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

Ma'aden responded well to Covid-19 :

- “Protect – Detect – Isolate” executed in line with Government guidance
- Vast majority of staff returned to work
- Ma'aden business operations running efficiently

Ma'aden incurred a net loss of SR728mn due to the following:

- Lower commodity prices impacted the bottom-line
- Despite Meridian's positive impact of SR44mn

... and market conditions are improving.

Operating environment is improving

- Phosphate prices are up in Q2, Ammonia prices up in June
- Both, Aluminum and Alumina prices started to upswing
- Gold continues to rise



Q&A



Appendix

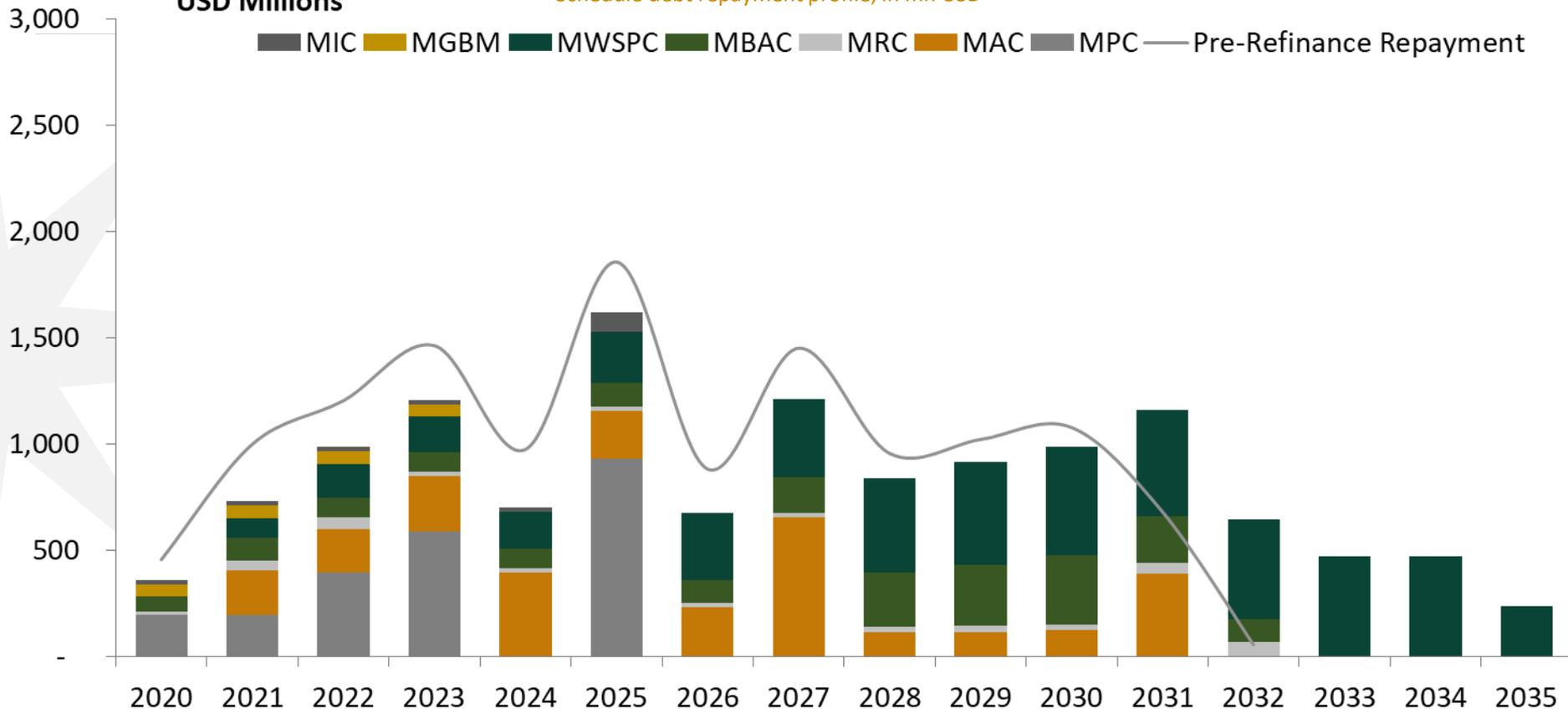


Debt repayment profile

USD Millions

Schedule debt repayment profile, in mn USD

MIC
 MGBM
 MWSPC
 MBAC
 MRC
 MAC
 MPC
 Pre-Refinance Repayment





Thank You