



Saudi Arabian Mining Company (Ma'aden)

Investor Presentation – Q3 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

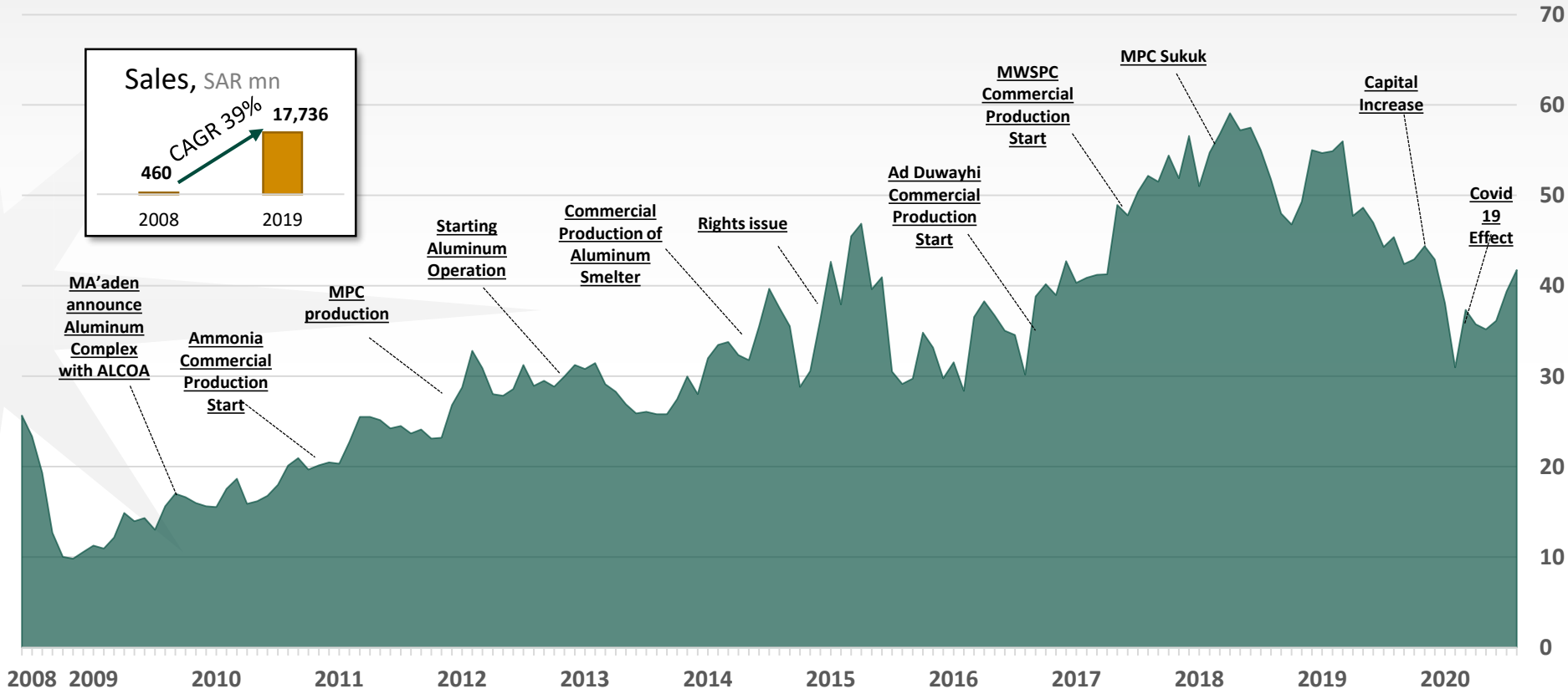
- Leverage world-class mineral deposits in Saudi Arabia to grow as a global industry leader
- Grow globally in selected commodities



Foundations : Sustainability and capability building

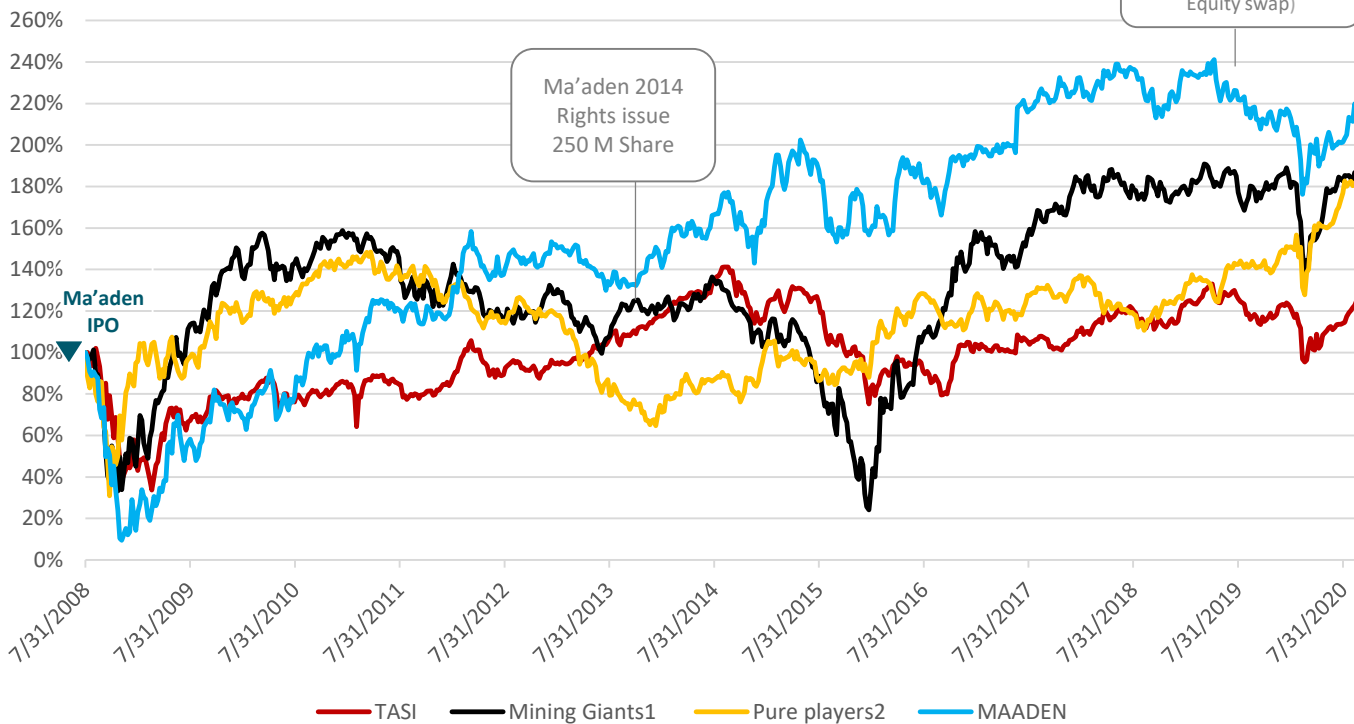
- Build best-in-class safety culture and practices across the organization and foster a zero-harm environment
- Strengthening capabilities and preparing leaders in all core business units to achieve Ma'aden's aspiration for growth
- Lead stewardship of the mining industry in Saudi Arabia and its ecosystem

MAADEN'S GROWTH SINCE ITS INCEPTION



Ma'aden's outperformed peers and the market

Share price returns (indexed to 100)



Annualized return since the IPO (in percent)

Ma'aden	9.4%
Mining Giants ¹	7.0%
Pure players ²	6.4%
Saudi INDEX	2.0%

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:

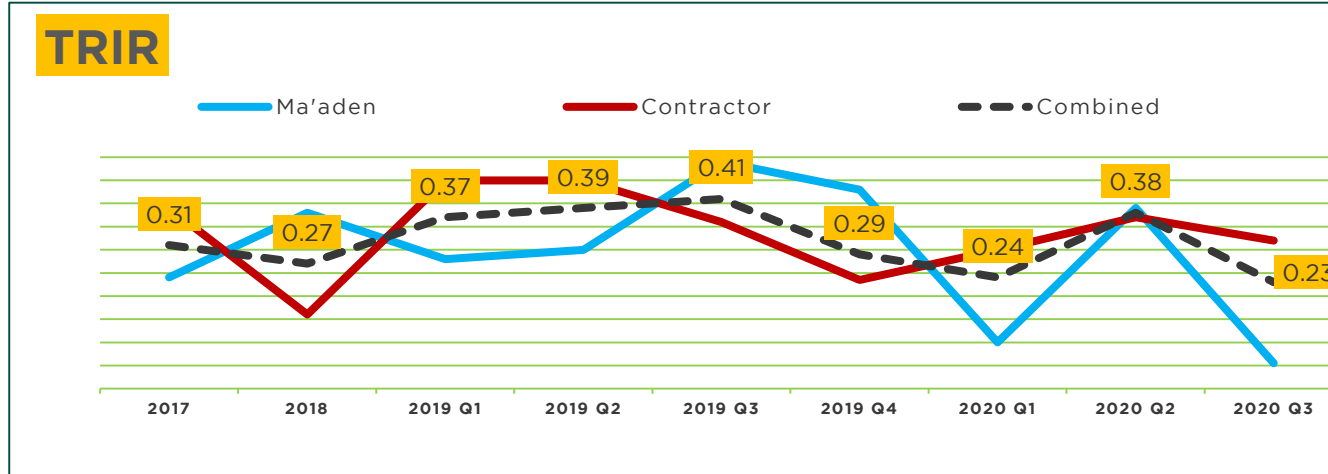
- Assuring that processes in their operations and functions are fit-for-purpose, well understood, and practiced.
- Ensuring procedural compliance.
- Driving continuous improvement processes utilized to enhance safety and operational performance
- Integrating safety into all business functions and processes.

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



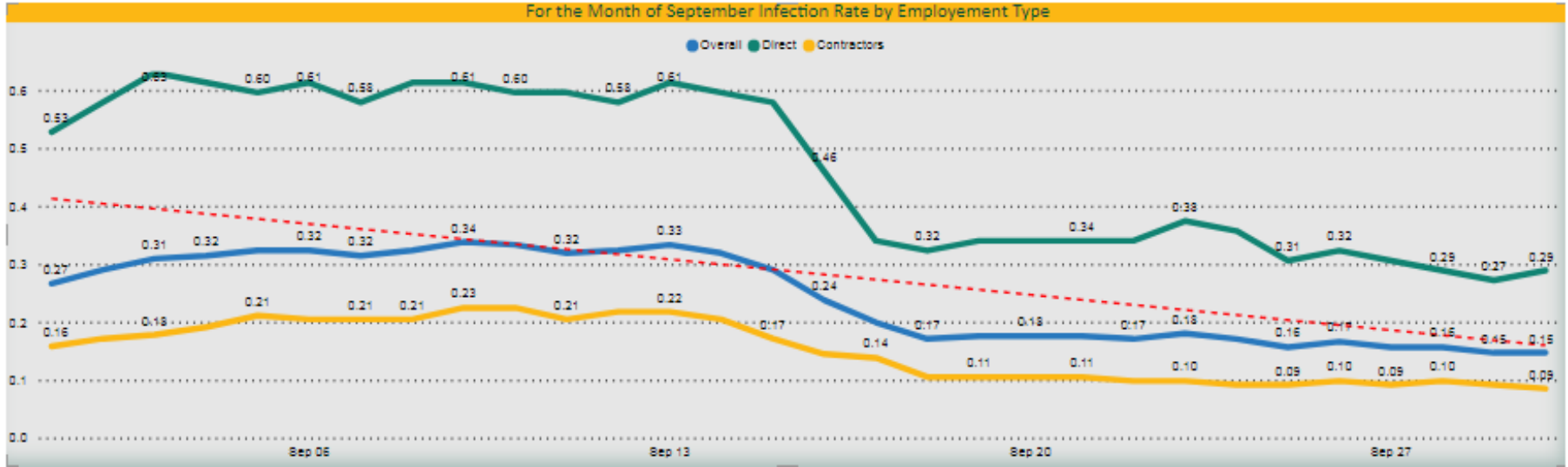
- Average for Mining, Quarrying, and Oil Extraction: 1.2 in 2019
- Average for Utilities: 2.2 in 2019
- Average for Manufacturing: 3.3 in 2019

Covid-19 Update



Health

Ma'aden COVID-19 Update



Analysis

- Though the overall trend of the infection rate is gradually declining, but the threat of COVID-19 is still not over. Continue Focus on SOP compliance at work and enhance awareness on implementing SOPs outside the workplace.

Q3 2020 Update



Q3-2020 Production Update

Higher production in all products (ex gold)



Production

- **Ammonium Phosphate** production was **1,397kt** (flat y-o-y and up 13% q-o-q)
- **Ammonia** production was **603kt** (up 33% y-o-y and up 7% q-o-q)
- **Aluminum** production was **251kt** (up 2% y-o-y and down 1% q-o-q)
- **Alumina** production was **472kt** (up 6% y-o-y and up 10% q-o-q)
- **Gold** production was **91koz** (down 13% y-o-y and down 21% q-o-q)
- **Copper** production was **7.9kt** (up 20% y-o-y and up 5% q-o-q)

Q3-2020 Financial Performance Update

Higher sales and EBITDA, lower net loss



Financial Performance

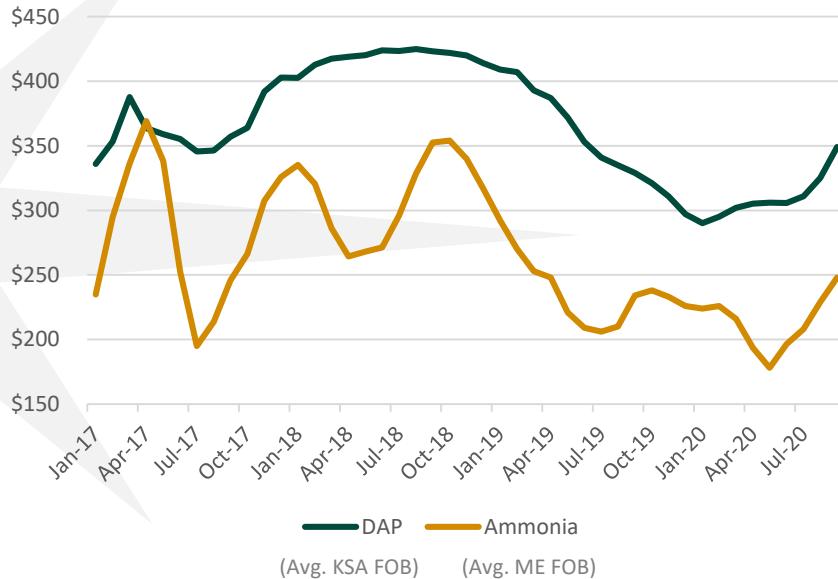
- **Sales** was SR4.7bn; **up 16% q-o-q**, due to higher prices effect except FRP, combined with higher sales volume of APF, primary aluminum and flat rolled products and higher Meridian sales; **up 8% y-o-y**, due to higher volumes of all products except gold and alumina combined with Meridian higher sales.
- **EBITDA** was SR1.5bn; **up 37% q-o-q**, due to higher sales along with lower G&A and exploration expenses partially offset by higher operating costs; **up 2% y-o-y**, due to lower selling & marketing expenses and higher Meridian sales impact.
- **Net loss** was SR0.1bn; significantly lower than the net loss of SR0.73bn in Q2, mainly due to higher EBITDA, lower finance cost and higher share in JV income; also lower than the net loss SR0.25bn of Q3-19, mainly due to higher EBITDA, higher share in JV net income and lower finance cost partially offset by higher depreciation.
- **Cash** generated from operations was SR0.69bn; **up 37% q-o-q**.
- **Working capital** stood at SR5.1bn at the end of Q3; **up 13% q-o-q**, due to higher inventories and receivables partially offset by higher payables.

Market Prices & Outlook



Q3 2020 - Phosphate & Ammonia Prices

A good quarter for both, Phosphate and Ammonia prices



Source: Bloomberg

Market Dynamic

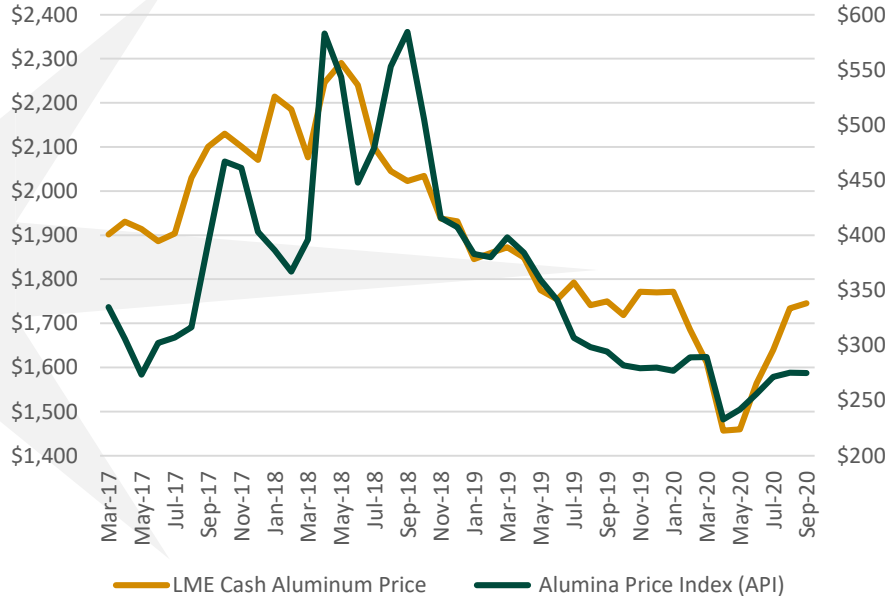
- India was active during Q3 to cover Kharif season (Jul-Oct)
- Healthy Brazilian farmers economics driven by strong crop prices and the encouraging exchange rate
- North America prices surged significantly in Q3 driven by the countervailing duties (CVD) case against Russia and Morocco
- East Africa demand was healthy, Foskor Shutdown in South Africa opened up larger room for import with higher prices
- Limited availabilities in the US have led Mosaic to shift some of their export from Saudi Arabia to the USA

China second wave virus

- Market experts believes that there is no indication of second wave of COVID19 in China, the Chinese government is keeping the virus contained
- China focus is to restore the economic growth after COVID19, which most likely means that they will protect all industries including fertilizers from turbulences
- Therefore, unlikely to witness any implications on the phosphate or Ammonia markets from a 2nd wave

Q3 2020 - Aluminum & Alumina Prices

Faster demand recovery, LME Prices continue on an uptrend



Source: Bloomberg

Aluminium

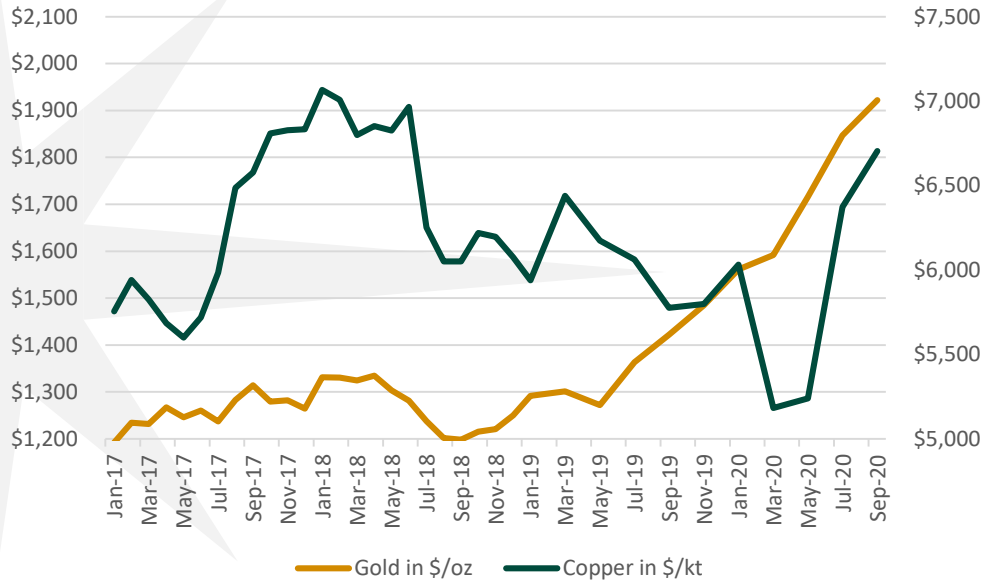
- LME cash prices rose steadily in Q3 following a fast recovery in Chinese demand
- Prices remained supported as global manufacturing index returned back to expansion territory after a subdued second quarter
- Q3 has seen demand rebounding in Europe and North America and across much of Asia. China is leading the way with a phenomenally strong outlook for the commodity consuming sectors of the Chinese economy
- World market is in surplus. LME inventories exceeded 1.45 million tons as of 30th Sep 2020 (up 56% y-o-y)

Alumina

- Alumina spot prices have made moderate gains over the past quarter amid firm Chinese demand and higher aluminum prices.
- However the upside is capped by abundance of supply from the refineries across the world.

Q3 2020 - Gold & Copper Prices

Gold price climbed higher; Copper recovered



Source: Bloomberg

Gold

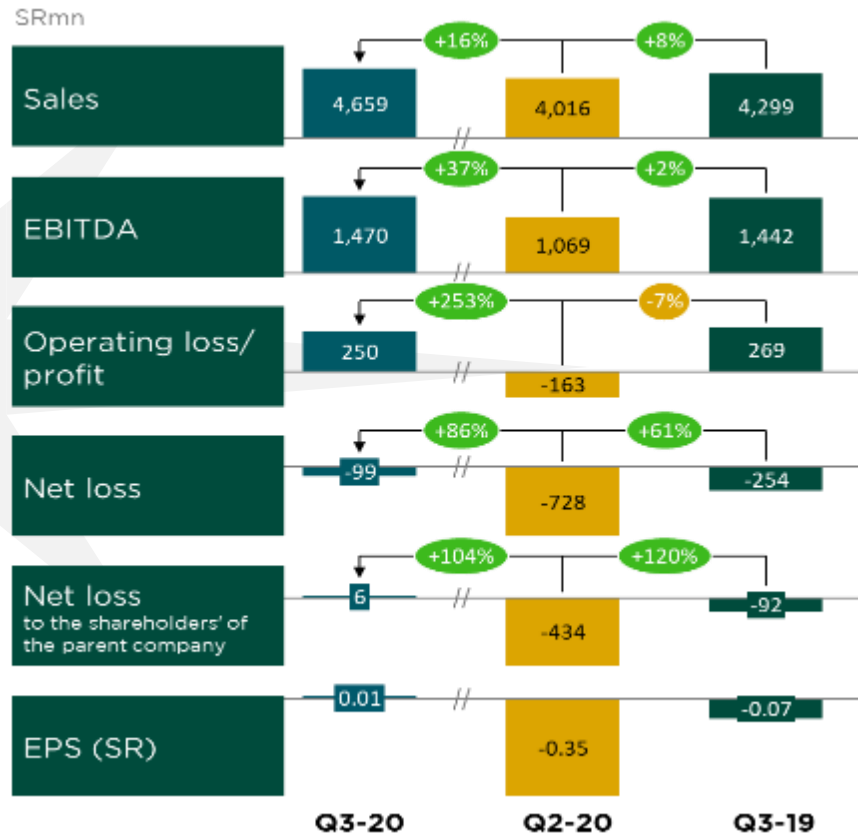
- Uncertainty over COVID-19 amidst resurgence across Europe and in the US, financial stimulus packages, negative yields and interest rate cuts, global central bank easing, all resulting in investors turning to safe haven assets.
- Higher realized gold price of \$1,962/oz contributed \$56M in additional earnings.

Copper

- Higher copper price of \$2.87/lb. as demand started to recover.

Consolidated Key Financial Results

net loss of SR99mn due to the following:



- Increase in sales volumes impacted the bottom-line by SR126mn and SR177mn compared to last quarter and same quarter last year.
- Improved commodity prices impacted the bottom-line positively by SR281mn and negatively by SR13mn compared to both previous and same quarter last year respectively.
- Meridian has positive impact of SR24mn and SR19mn vs. previous quarter and same qtr. last year
- Depreciation and amortization decreased by SR8mn compared to previous quarter driven by the decrease in production of Gold, also increased by SR48mn vs. same quarter last year capitalization of assets in Phosphate & Aluminium.
- Lower G&A and exploration by SR60mn compare to previous quarter and increased by SR18mn vs. same quarter last year.
- Higher share in net profit of JV entities by SR61mn and SR75mn compared to both previous and same quarter last year respectively.
- Lower finance cost by SR221mn and SR231mn compare to last quarter and same quarter last year respectively mainly due to lower interest rates.

Q3-20 net loss is lower than Q2-20

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

- Profit / (Loss) attributed to the shareholders' of parent co.
- Profit / (Loss) attributed to minority interest

increase in avg. realized prices of:

■ Amm by \$38/mt	91m
■ Gold by \$234koz	80m
■ Prim. Alum. by \$152/mt	87m
■ APF by \$22/mt	69m
■ IM products	8m

Offset by decrease in:

■ FRP by \$164/mt	-46m
281m	

Increase in:

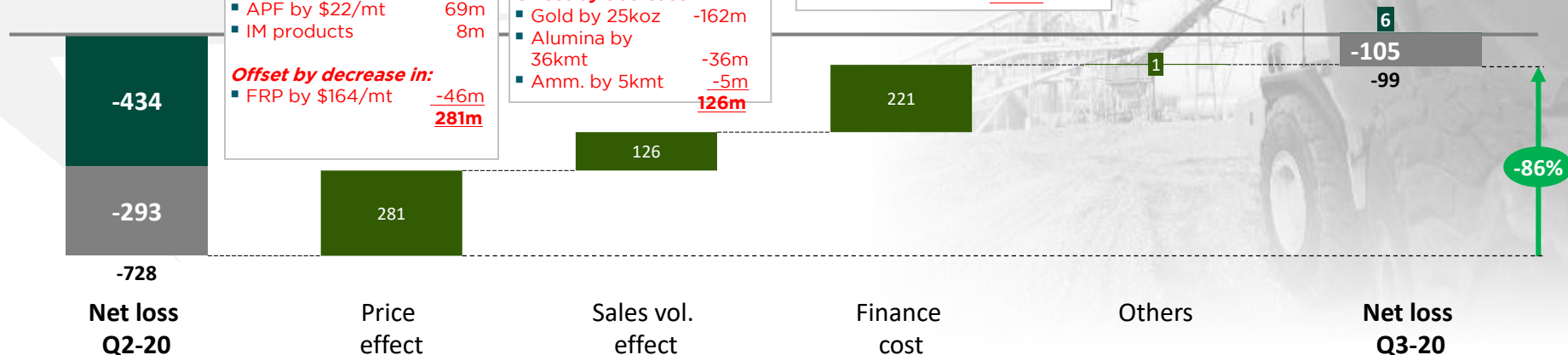
■ APF	267m
■ Prim. alum. by 6kmt	36m
■ FRP by 2kmt	25m
■ IM products	1m

Offset by decrease in:

■ Gold by 25koz	-162m
■ Alumina by 36kmt	-36m
■ Amm. by 5kmt	-5m
126m	

Mainly due to:

- MWSPC amortized cost & agent fee one off impact 71m
 - MWSPC early settlement reimbursement 32m
 - decrease in SIBOR/LIBOR rate 118m
- 221m**

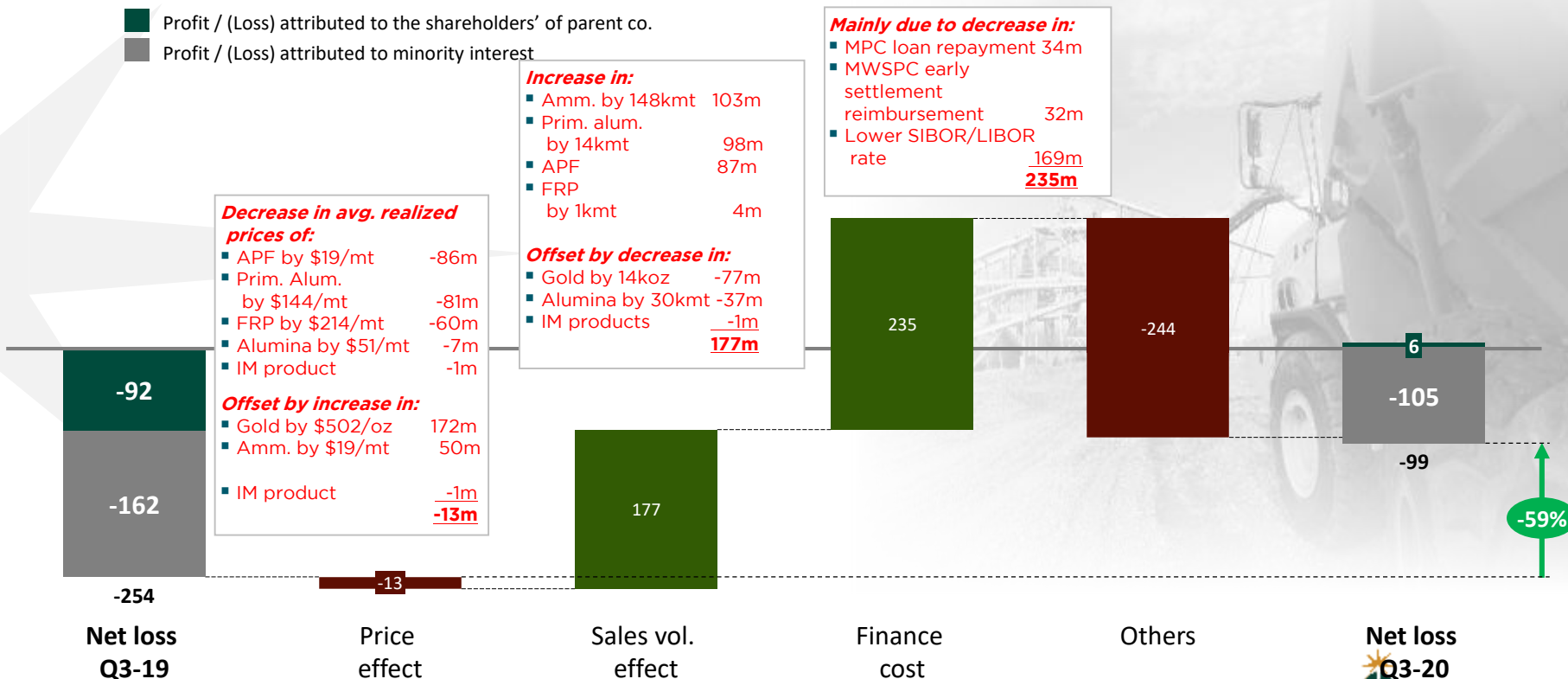


Q3-20 net loss is lower than Q3-19

30min

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

- Profit / (Loss) attributed to the shareholders' of parent co.
- Profit / (Loss) attributed to minority interest



Consolidated Sales and EBITDA by Segment

Consolidated

	Q3-20	vs. LY Qtr.	vs. Prev. Qtr.
Sales (SRmn)	4,659	↑ 8%	↑ 16%
EBITDA* (SRmn)	1,470	↑ 2%	↑ 37%
<i>EBITDA margin</i>	32%	↓ -2%	↑ 5%

Phosphate

	Q3-20	vs. LY Qtr.	vs. Prev. Qtr.
Sales (SRmn)	2,285	↑ 18%	↑ 40%
EBITDA* (SRmn)	691	↑ 27%	↑ 107%
<i>EBITDA margin</i>	30%	↑ 2%	↑ 10%

47% of Group EBITDA

Aluminium

	Q3-20	vs. LY Qtr.	vs. Prev. Qtr.
Sales (SRmn)	1,703	↓ -5%	↑ 4%
EBITDA* (SRmn)	449	↓ -25%	↑ 23%
<i>EBITDA margin</i>	26%	↓ -7%	↑ 4%

31% of Group EBITDA

Gold

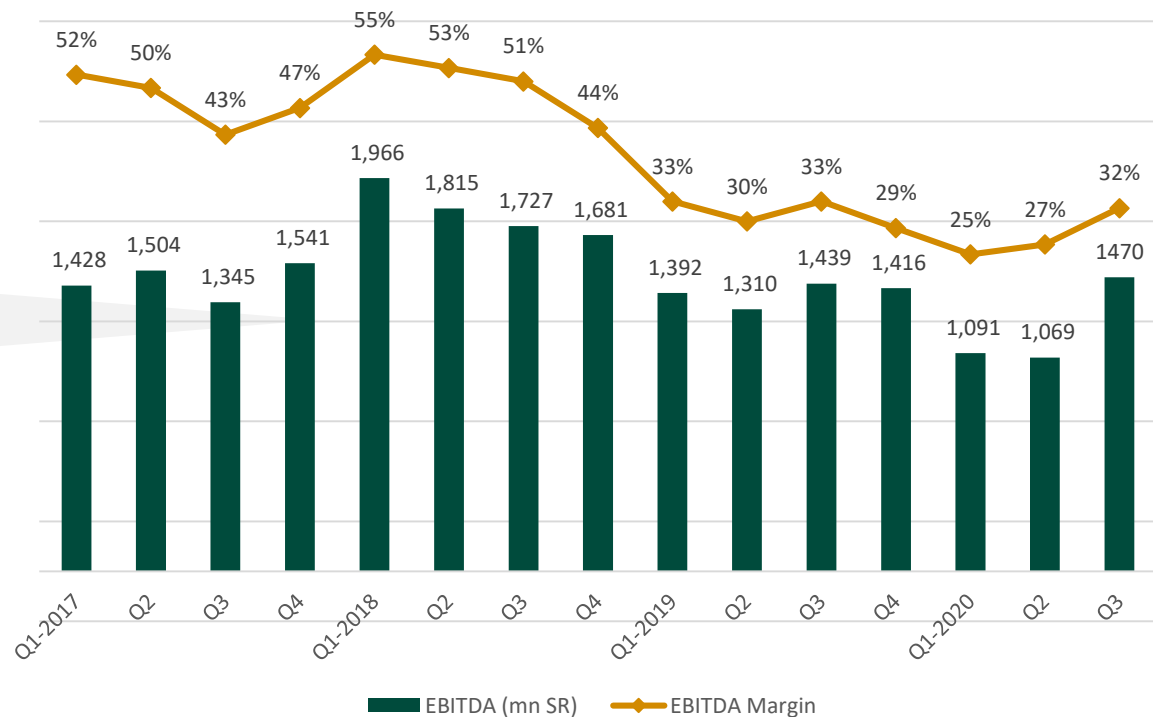
	Q3-20	vs. LY Qtr.	vs. Prev. Qtr.
Sales (SRmn)	671	↑ 17%	↓ -11%
EBITDA* (SRmn)	329	↑ 12%	↓ -11%
<i>EBITDA margin</i>	49%	↓ -2%	↓ 0%

22% of Group EBITDA

• Note: 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

EBITDA margin continues to improve in 2020



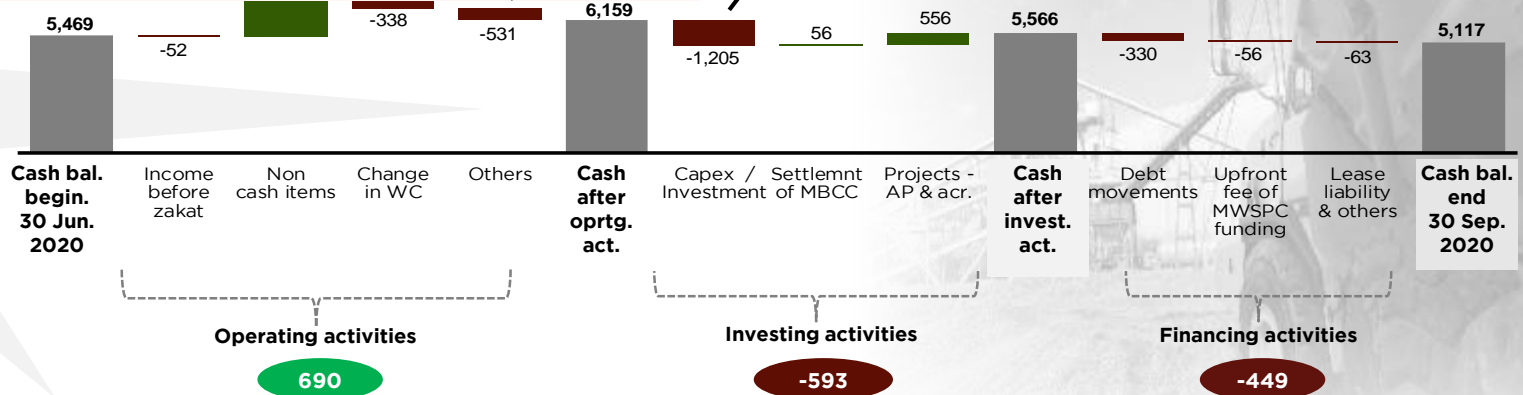
Consolidated Cash Flow Chart

Mainly capex in:

Ammonia 3	-540m
MGBM	-367m
MPC	-86m
MWSPC	-85m
MAC	-70m
Others	-57m

For quarter ended 30 September 2020

Depreciation and amort'n.	1,220	Finance costs paid	-273
Prov. for emp. benefits	50	Zakat and income tax paid	-193
Finance charges accrued	335	Employees' benefits paid	-21
Others	6	Total	-531
Total	1,610		



Consolidated Cash Flow Statement

Higher cash generated from operating activities in Q3 2020

Comparative analysis	Q3	Q2	Q3
	2020	2020	2019
Cash generated from operating activities	689	503	573
Cash utilized in investing activities	(593)	(651)	(499)
Cash generated from financing activities	(450)	(454)	(979)
Net change in cash	(353)	(603)	(905)
Cash opening	5,469	6,072	8,427
Cash Closing	5,117	5,469	7,522

Financial Ratios

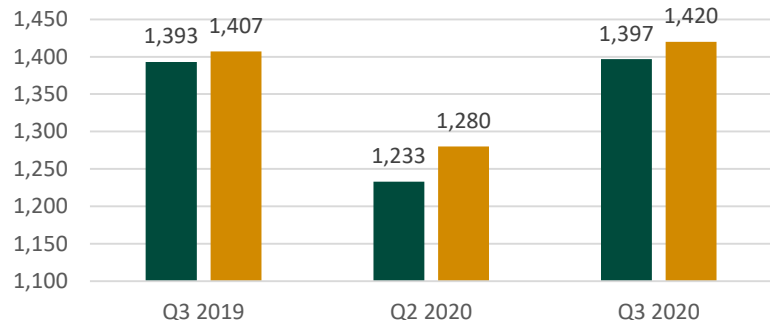
	Q1 - 2020	Q2 - 2020	Q3 - 2020	
Profitability	Return on total assets (ROA) (%)	0.5%	0.2%	0.2%
	Return on total assets excl. CWIP (ROA) (%)	0.5%	0.2%	0.3%
	Return on total equity (ROE) (%)	-5.1%	-5.6%	-4.7%
	EBITDA margin	25.1%	24.3%	33.9%
	ROIC	0.6%	0.2%	0.3%
Efficiency	Asset turnover	0.18	0.18	0.18
	Inventory turnover	5.6	5.8	5.5
	Accounts receivables turnover	6.3	5.9	5.4
	Account payable turnover	9.6	9.2	8.3
Debt coverage	Interest cover	1.9	2.0	3.0
	Net debt:EBITDA	10.3	10.2	7.4
Liquidity	Current ratio	1.7	1.7	1.6
	Quick (acid test) ratio	1.3	1.4	1.2

Operational Performance



Phosphate & Ammonia: Q3-2020 Production & Sales

Ammonium Phosphate Fertilizer



Production (in kmt)		Sales (in kmt)	
y-o-y change	q-o-q change	y-o-y change	q-o-q change
0%	13%	1%	11%

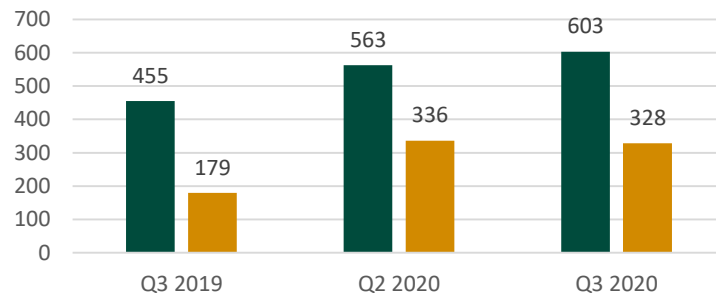
Production volume of APF (MPC):

- increased by 19kmt y-o-y, due to better capacity utilization and stream factor
- increased by 61kmt q-o-q, due capacity utilization and stream factor in current quarter with higher P2O5 availability

Production volume of APF (MWSCP):

- decreased by 15kmt y-o-y,
- increased by 103kmt q-o-q, due to limitation of MGA due to BENE plant thickener failure in Q2 2020 also limitation of MGA supply due to non availability of trains due to COVID manpower issues

Ammonia



Production (in kmt)		Sales (in kmt)	
y-o-y change	q-o-q change	y-o-y change	q-o-q change
33%	7%	83%	-2%

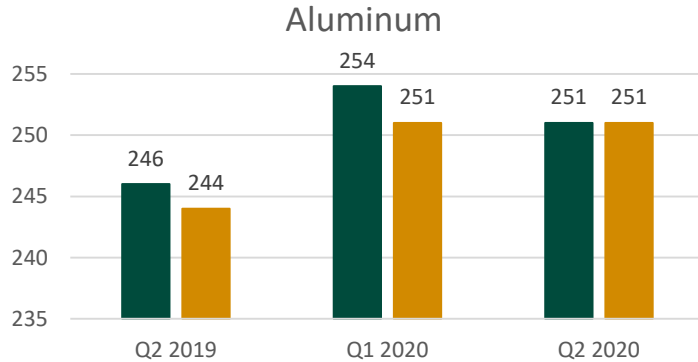
Production volume of Ammonia: (MPC)

- decreased by 22kmt y-o-y, due to lower stream factor and capacity utilization, Q3-20 had less plant reliability – equipment and catalyst than Q3-19
- increased by 8kmt q-o-q, due to better stream factor

Production volume of ammonia: (MWSCP)

- increased by 170kmt y-o-y, due to plant shutdown in Q3 2019
- increased by 31kmt y-o-y, due to plant shutdown in Q2 2020

Aluminum & Alumina: Q3-2020 Production & Sales



■ Production (in kmt) ■ Sales (in kmt)

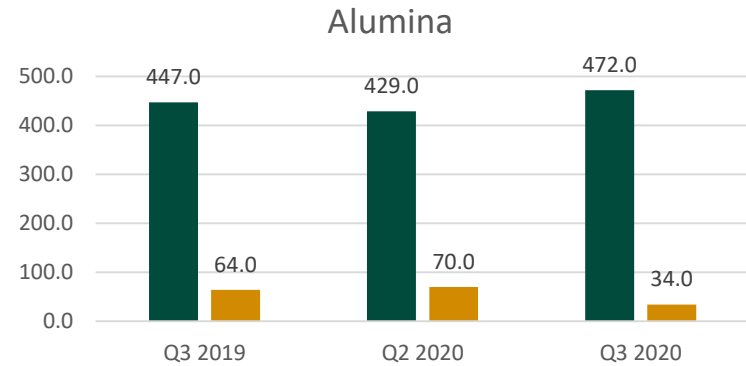
	y-o-y	q-o-q
Prod	2%	-1%
Sales	3%	0%

Volume of cast house products:

- increased by 5kmt y-o-y, due to additional metal from reduction
- decreased by 3kmt q-o-q, due to shortfall from CRU and remelt

Sales volume of aluminum :

- increase by 7kmt y-o-y,
- remains flat q-o-q,



■ Production (in kmt) ■ External Sales (in kmt)

	y-o-y	q-o-q
Prod	6%	10%
Sales	-47%	-51%

Production volume of Alumina:

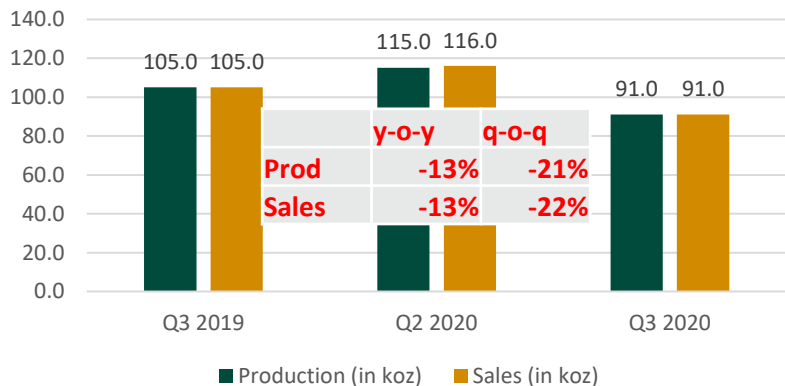
- increased by 25kmt y-o-y, due to better plant reliability
- increased by 43kmt q-o-q, due to recovery from unplanned shutdowns at boiler last quarter

External sales volume of Alumina:

- decreased by 30kmt y-o-y,
 - decreased by 36q-o-q,
- respectively due to shipment delay in September

Gold & Copper: Q3-2020 Production & Sales

Gold



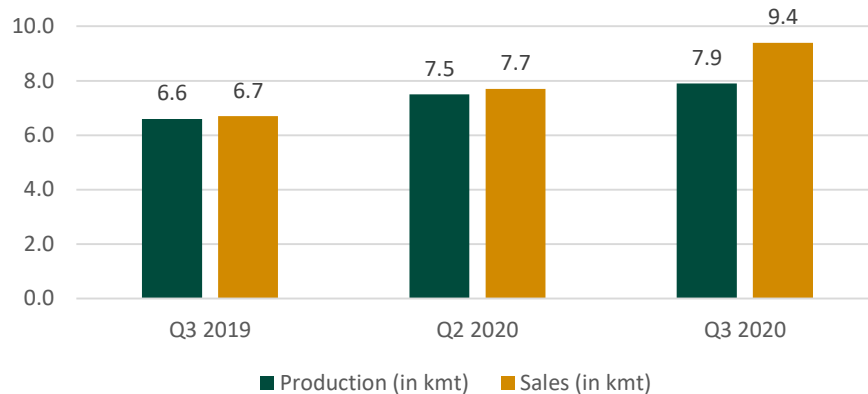
Gold ounces produced:

- decreased by 14koz y-o-y, mainly due to lower feed grade (Q3-20 0.9/gt : Q3-19 1.9 g/t) mainly in Ad Duwayhi
- decrease by 24koz q-o-q, mainly due lower feed gold grade (Q3-20 0.9 g/t : Q2-20 1.1 g/t) also mainly from Ad duwayhi

Sales volume of gold in ounce:

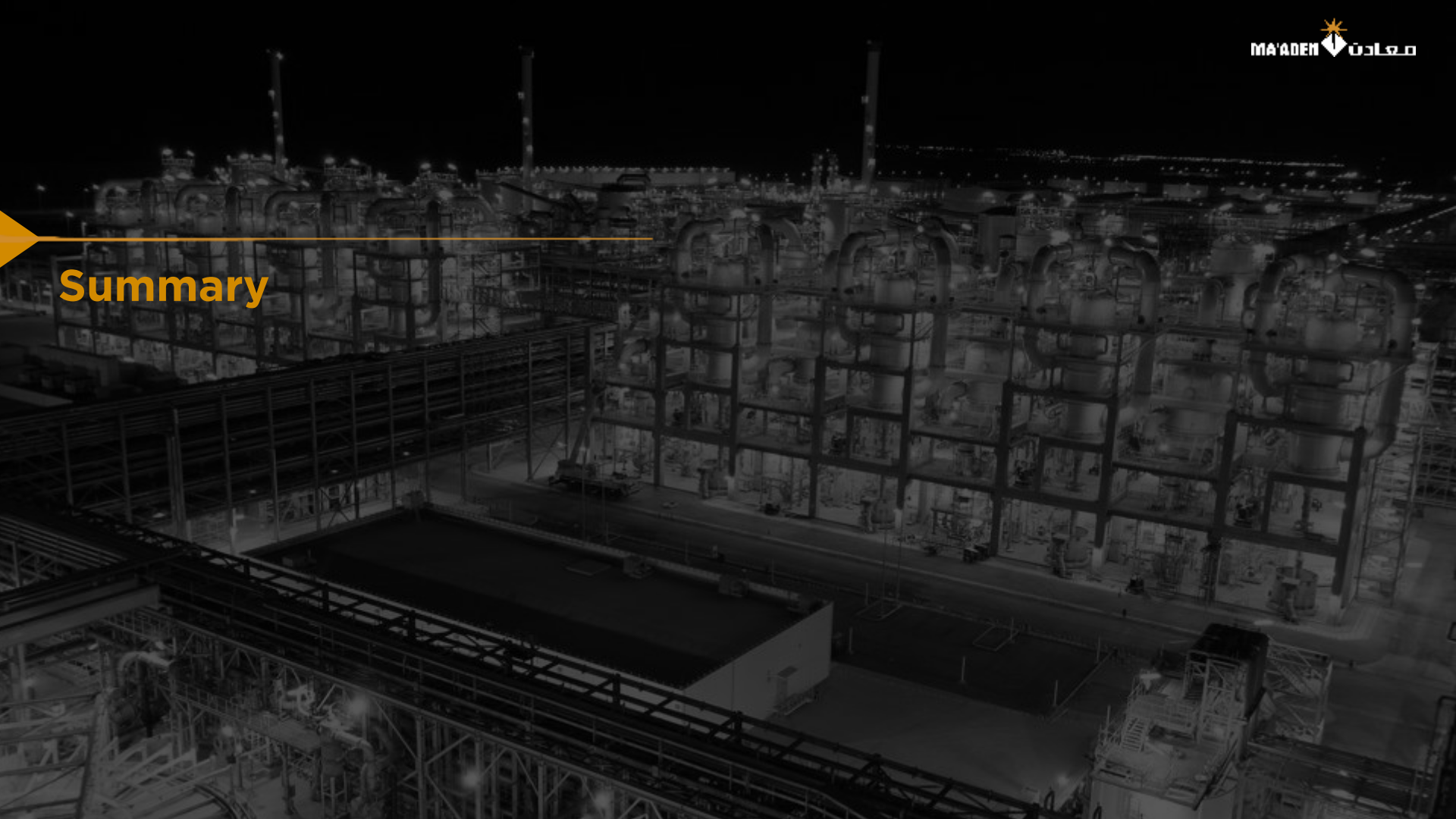
- decreased by 14koz y-o-y, as a result of lower gold production mainly in Ad Duwayhi
- decrease by 25koz q-o-q, same as above explanation

Copper



	y-o-y	q-o-q
Prod	20%	5%
Sales	40%	22%

Summary



Q3-2020 Summary

6mn SAR profit to our shareholders in Q3 (vs. a loss of 423mn in Q2)

Increase in both, sales volumes
and commodity prices ...

The net loss of SR99mn is much smaller than Q2's 728mn

- Increase in sales volumes impacted the bottom-line by SR126mn vs. Q2
- Improved commodity prices impacted the bottom-line positively by SR281mn vs. Q2.
- Lower G&A and exploration by SR60mn vs. Q2
- Lower finance cost by SR221mn vs. Q2

The financial performance improved all around

- Sales was SR4.7bn; up 16% q-o-q and 8% y-o-y
- EBITDA was SR1.5bn; up 37% q-o-q and up 2% y-o-y
- Cash generated from operating activities was up 37% q-o-q

... led to a positive return to
shareholders in Q3.

And the operating environment continues to improve

- Phosphate and Ammonia prices up in Q3
- Both, Aluminum and Alumina prices improving
- Gold continues its rise

Q&A





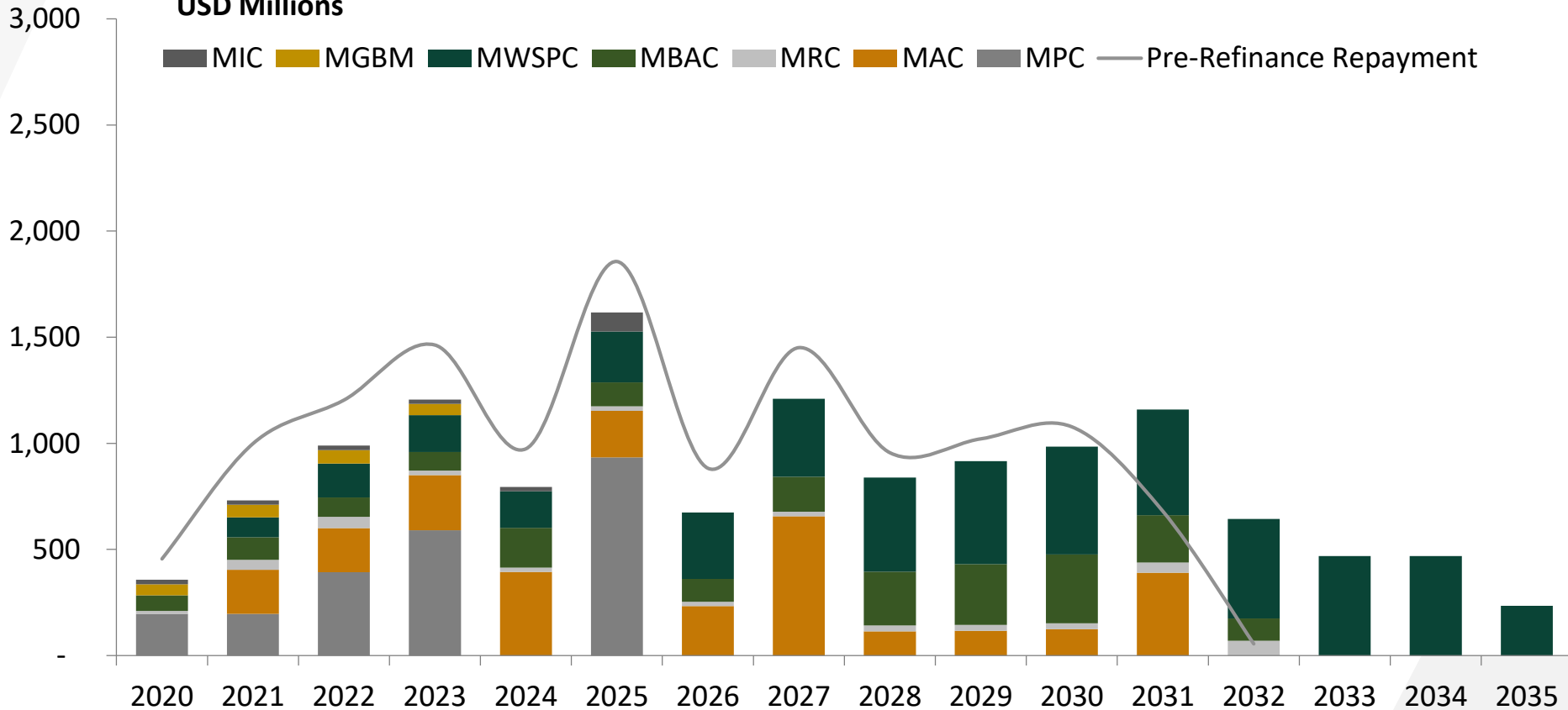
Appendix

Debt repayment profile

Schedule debt repayment profile, in mn USD

USD Millions

MIC
 MGBM
 MWSPC
 MBAC
 MRC
 MAC
 MPC
 Pre-Refinance Repayment





Thank You