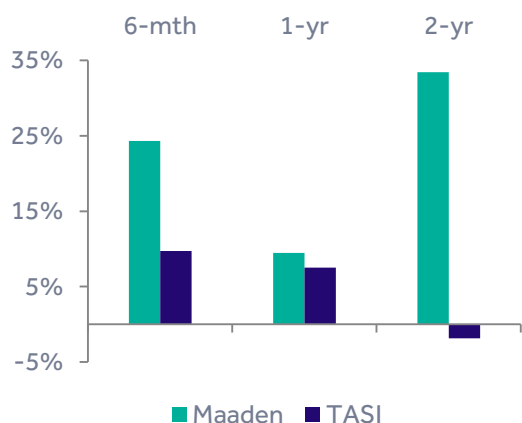


Market Data	
52-week high/low	SAR 56.40 / 35.40
Market Cap	SAR 184,219 mln
Shares Outstanding	3,692 mln
Free-float	32.81%
12-month ADTV	2,099,253
Bloomberg Code	MAADEN AB



## Profits Up, Gold Prices Higher, and Vale Stake Positive

May 20, 2024

Upside to Target Price	20.4%	Rating	Buy
Expected Dividend Yield	0.0%	Last Price	SAR 49.85
Expected Total Return	20.4%	12-mth target	SAR 60.00

MAADEN	1Q2024	1Q2023	Y/Y	4Q2023	Q/Q	RC Estimate
Sales	7,348	8,045	(9%)	8,035	(9%)	10,498
Gross Profit	2,413	1,586	52%	2,784	(13%)	3,637
Gross Margins	33%	20%		35%		35%
Operating Profit	1,856	930	100%	1,831	1%	2,519
Net Profit	982	419	134%	890	10%	2,086

(All figures are in SAR mln)

- MAADEN generated revenues of SAR 7.3 bln in 1Q24, down -9% both Y/Y and Q/Q, below our optimistic estimate of SAR 10.5 bln; as we had expected higher gold production. Management said Y/Y profitability growth was driven by higher volumes and lower costs; including the lack of one-off expenses such as utility charges or the receipt of insurance claim benefits for relining smelter plant pots. Reported average realized prices of both Gold and Alumina offset lower commodity prices of Ammonia. Gross profit grew +52% Y/Y and dropped -13% Q/Q, supported by lower raw material costs Y/Y, but muted by lower volumes Q/Q. We expected higher sales, but prices for Ammonia declined significantly while DAP prices were flat.
- The Phosphate segment recorded a -45% drop in sales Q/Q, EBITDA in this segment also experienced a solid decline Q/Q, recording a -22% decrease; driven by weaker commodity prices due to greater global capacity; lowering prices of Ammonia. DAP production volumes, however, did experience growth, with a +14% Q/Q increase, along with sales volumes also growing +7% Q/Q; with average realized prices for DAP +4%. The Aluminum segment topline contracted -12% Q/Q, but increased +1% Y/Y, on the back of lower sales volumes, driven by weaker demand. The Base Metals and New Minerals segment also increased its sales Q/Q and Y/Y, by +11% and +84%, respectively; driven by substantial gold production.
- With continuous improvements supporting margins, acquiring a 10% stake in miner Vale, and with the Mansourah Massarah Gold Project fully operational and with higher gold prices, our outlook remains positive. For these reasons we maintain our bullish view on MAADEN and reiterate our target price and our rating.

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## ■ Stock Rating

Buy	Neutral	Sell	Not Rated
Expected Total Return Greater than +15%	Expected Total Return between -15% and +15%	Expected Total Return less than -15%	Under Review/ Restricted

The expected percentage returns are indicative, stock recommendations also incorporate relevant qualitative factors  
For any feedback on our reports, please contact [research@riyadcapital.com](mailto:research@riyadcapital.com)

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