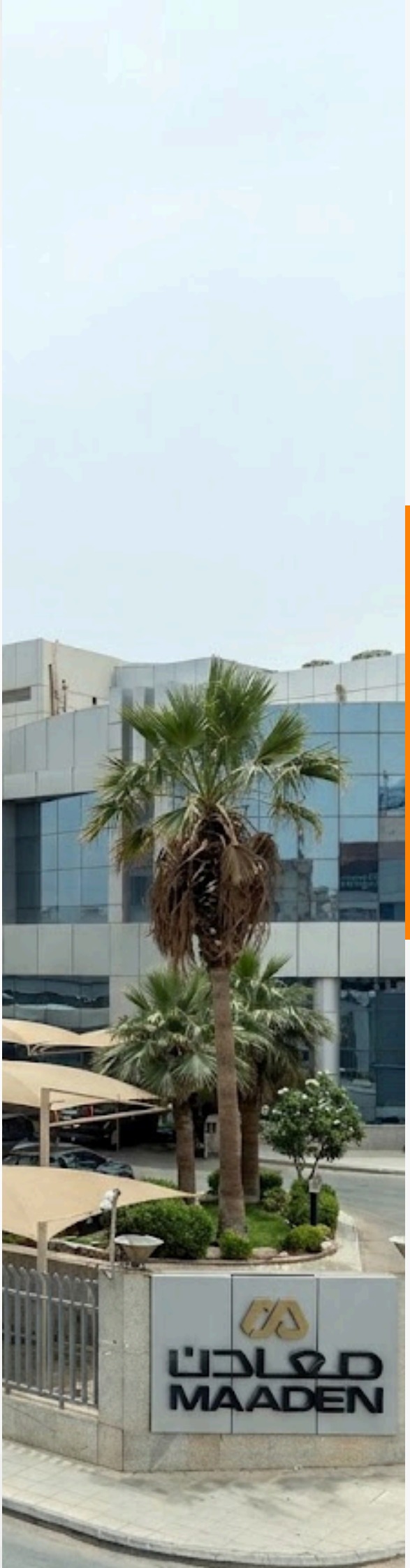


YAMAMAH
Insights

EQUITY HUB +

H1 2026 Report

MAADEN

Dr. Rasha AlHumaidhi – Course : (FIN 202)

Financial Team
Fahad Almugren

Supervised by Financial & Economic Analyst
Hamad Alsaeed

Assistant Financial Analyst

Dalal Bin Khudair | Alrotana albadri

INTERIM RESULTS REVIEW · MATERIALS · SAUDI ARABIA

Maaden (1211)

Q1 and Q2 2026 compared with 2025

Higher sales, weaker margins and cash generation; aluminium and gold partly offset phosphate

OVERALL VIEW

Sales increased, but profit margins and cash generation weakened. Aluminium and gold helped offset weaker phosphate results. The balance sheet improved, although investment spending exceeded cash generated by operations.

H1 2026 at a glance

Revenue **SAR 19.73bn** +10.0% y/y	Gross margin **33.0%** −4.4 pp y/y
Operating profit excl. other operating income **SAR 4.47bn** −7.4% y/y	Net profit attributable to shareholders **SAR 3.81bn** +9.8% y/y
Operating cash flow **SAR 2.08bn** −41.5% y/y	Free cash flow **−SAR 1.68bn** H1 2025: SAR 0.80bn

Change versus H1 2025. Operating profit excludes other operating income, net, which includes one-off insurance income of SAR 375 million in Q1 2026. Free cash flow is operating cash flow less capital expenditure.

Key data

Company	Saudi Arabian Mining Company (Maaden)
Ticker	1211, Saudi Exchange
Periods	Q1, Q2 and H1 2026 vs 2025
Basis	Unaudited interim statements
Currency	Saudi riyal (SAR)

Contents

1	Income performance	2
2	Segment performance	4
3	Financial position	5
4	Cash flows	6
5	Sector indicators	7
6	Growth potential	8
7	Risk factors	9
8	Conclusion	9
A	Method, formulas and definitions	10
B	Data notes	11
C	Sources, basis and disclaimer	12

Source: Maaden condensed consolidated interim financial statements (unaudited), Q1 and H1 2025 and 2026; Saudi Exchange.

1 Income performance

Revenue grew 10.0% in H1; margins and group profit did not follow

H1 revenue rose 10.0% to SAR 19.73 billion. Growth was faster in Q2, but costs rose faster than sales, reducing the H1 gross margin from 37.5% to 33.0%. Operating profit excluding other operating income fell 7.4%. Shareholder profit rose 9.8%, mainly reflecting a smaller profit share for minority owners, while total group net profit fell 0.6%. This means higher shareholder earnings did not reflect stronger overall group profit.

WHAT TO WATCH

Whether sales growth starts producing better margins. The SAR 375 million insurance income and SAR 338 million investment impairment also affected Q1 earnings and should be considered when comparing performance.

Income statement summary

SAR '000

	Q1			Q2			H1		
SAR '000	2025	2026	Change	2025	2026	Change	2025	2026	Change
Revenue	**8,510,914**	**8,786,554**	**+3.2%**	**9,415,768**	**10,939,233**	**+16.2%**	**17,926,682**	**19,725,787**	**+10.0%**
Cost of revenue	5,319,545	5,661,523	+6.4%	5,892,454	7,550,619	+28.1%	11,211,999	13,212,142	+17.8%
Gross profit	**3,191,369**	**3,125,031**	**−2.1%**	**3,523,314**	**3,388,614**	**−3.8%**	**6,714,683**	**6,513,645**	**−3.0%**
Selling, marketing and logistics expenses	214,283	243,919	+13.8%	212,653	309,493	+45.5%	426,936	553,412	+29.6%
General and administrative expenses	558,766	440,286	−21.2%	412,563	457,627	+10.9%	971,329	897,913	−7.6%
Exploration and technical services expenses	146,782	278,926	+90.0%	201,046	326,215	+62.3%	347,828	605,141	+74.0%
Expected credit loss allowance, net [1]	302	15,324	n.m.	−137,552	2,206	n.m.	−137,250	17,530	n.m.
Other operating income, net [2]	8,420	356,106	n.m.	406	65,220	n.m.	8,826	421,326	n.m.
Operating profit	**2,280,260**	**2,533,330**	**+11.1%**	**2,559,906**	**2,362,705**	**−7.7%**	**4,840,166**	**4,896,035**	**+1.2%**
Operating profit excl. other operating income, net	*2,271,840*	*2,177,224*	*−4.2%*	*2,559,500*	*2,297,485*	*−10.2%*	*4,831,340*	*4,474,709*	*−7.4%*
Finance income	190,210	117,490	−38.2%	175,375	151,463	−13.6%	365,585	268,953	−26.4%
Finance cost	594,559	490,106	−17.6%	551,617	344,430	−37.6%	1,146,176	834,536	−27.2%
Share in net profit / (loss) of joint ventures and an associate [3]	124,456	−74,300	n.m.	158,883	397,151	+150.0%	283,339	322,851	+13.9%
Profit before zakat, income tax and severance fees	**2,000,367**	**2,086,414**	**+4.3%**	**2,342,547**	**2,566,889**	**+9.6%**	**4,342,914**	**4,653,303**	**+7.1%**
Zakat, income tax and severance fees	233,579	298,069	+27.6%	14,558	285,311	n.m.	248,137	583,380	+135.1%
Net profit for the period	**1,766,788**	**1,788,345**	**+1.2%**	**2,327,989**	**2,281,578**	**−2.0%**	**4,094,777**	**4,069,923**	**−0.6%**
Attributable to ordinary shareholders of the parent	**1,549,962**	**1,635,810**	**+5.5%**	**1,921,837**	**2,175,274**	**+13.2%**	**3,471,799**	**3,811,084**	**+9.8%**
Attributable to non-controlling interest	216,826	152,535	−29.7%	406,152	106,304	−73.8%	622,978	258,839	−58.5%
Basic and diluted EPS (SAR) [4]	**0.41**	**0.42**	**+0.01**	**0.51**	**0.56**	**+0.05**	**0.91**	**0.98**	**+0.07**
Underlying EBITDA (company-defined) [5]	**3,468,583**	**3,614,488**	**+4.2%**	**3,785,410**	**3,901,102**	**+3.1%**	**7,253,993**	**7,515,590**	**+3.6%**

SAR '000. Expenses and finance cost are shown as positive amounts; changes are 2026 against 2025. Q2 figures are as reported in the six-month statements, except underlying EBITDA (H1 less Q1). n.m. = not meaningful (negative base, sign change or move above 1,000%). [1] Positive = net reversal; negative = net charge. Q2 2025 includes a charge of 137,552. [2] Q1 2026 includes one-off insurance income of SAR 375 million for the phosphate business unit (note 2 and note 9). [3] Q1 2026 includes Maaden's share, SAR 338 million, of a one-off impairment recognised by Manara on its investment in Vale Base Metals (note 2). [4] Reported EPS, rounded to two decimals; change in SAR. [5] Profit before zakat, income tax and severance fees, less finance income, plus finance cost and depreciation and amortisation (segment note 5.3).

1 Income performance (continued)

Growth, margins and cost ratios

Growth

Revenue growth	Q1 2026 vs Q1 2025	Q2 2026 vs Q2 2025	H1 2026 vs H1 2025	Q2 vs Q1, 2025	Q2 vs Q1, 2026
Change in revenue	**+3.2%**	**+16.2%**	**+10.0%**	**+10.6%**	**+24.5%**

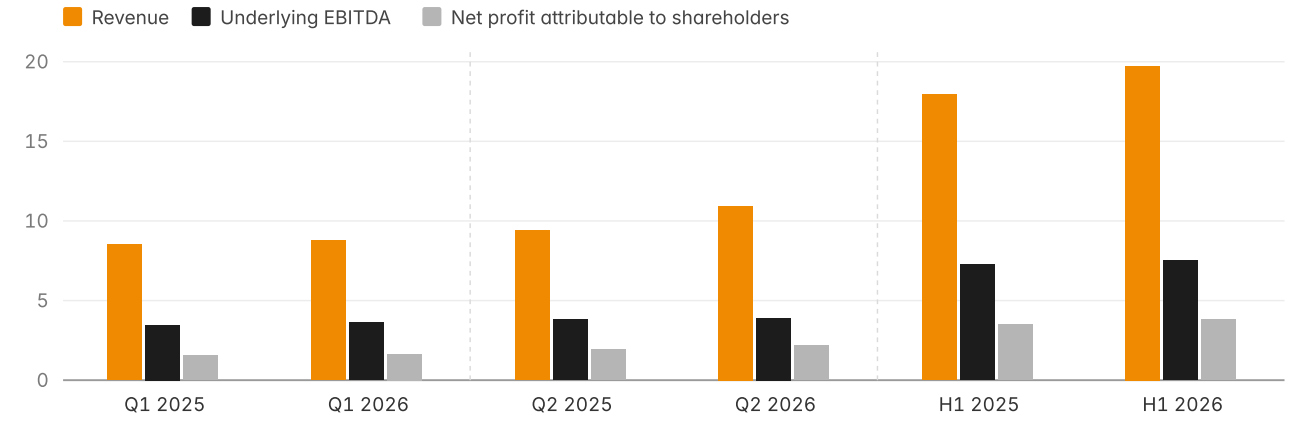
Margins and cost ratios

	Q1			Q2			H1		
Margin / cost ratio	2025	2026	Change	2025	2026	Change	2025	2026	Change
Gross margin	**37.5%**	**35.6%**	**−1.9 pp**	**37.4%**	**31.0%**	**−6.4 pp**	**37.5%**	**33.0%**	**−4.4 pp**
Underlying EBITDA margin	40.8%	41.1%	+0.4 pp	40.2%	35.7%	−4.5 pp	40.5%	38.1%	−2.4 pp
Operating margin	**26.8%**	**28.8%**	**+2.0 pp**	**27.2%**	**21.6%**	**−5.6 pp**	**27.0%**	**24.8%**	**−2.2 pp**
Operating margin excl. other operating income, net	*26.7%*	*24.8%*	*−1.9 pp*	*27.2%*	*21.0%*	*−6.2 pp*	*27.0%*	*22.7%*	*−4.3 pp*
Net margin	20.8%	20.4%	−0.4 pp	24.7%	20.9%	−3.9 pp	22.8%	20.6%	−2.2 pp
Net margin attributable to shareholders	**18.2%**	**18.6%**	**+0.4 pp**	**20.4%**	**19.9%**	**−0.5 pp**	**19.4%**	**19.3%**	**0.0 pp**
G&A expenses / revenue	6.6%	5.0%	−1.6 pp	4.4%	4.2%	−0.2 pp	5.4%	4.6%	−0.9 pp
Exploration and technical services / revenue	1.7%	3.2%	+1.4 pp	2.1%	3.0%	+0.8 pp	1.9%	3.1%	+1.1 pp

Changes in percentage points (pp) are computed from unrounded ratios and may differ by 0.1 pp from the difference of the rounded figures shown.

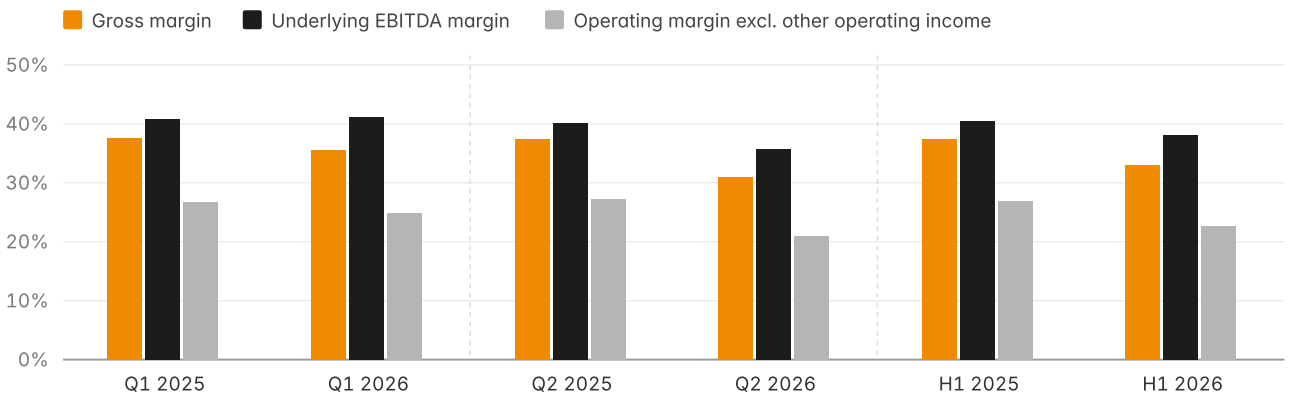
Revenue, underlying EBITDA and net profit attributable to shareholders

SAR billion



Margins by reporting period

% of revenue



2 Segment performance

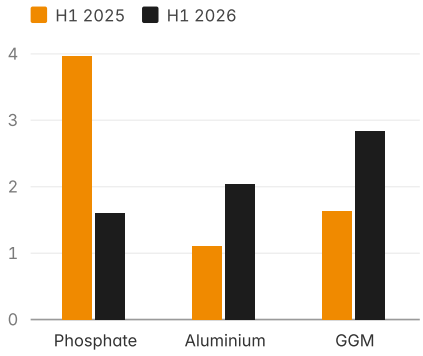
Aluminium and gold offset most, but not all, of the fall in phosphate

Phosphate was the main weakness: H1 gross profit fell 59.6%, and its gross margin dropped from 41.1% to 17.6%. Aluminium gross profit rose 85.5%, while Gold and Growth Minerals gross profit increased 74.2%. Together, aluminium and gold generated about 75% of group gross profit. Their gains softened the phosphate decline but did not fully offset it.

WHAT TO WATCH

Phosphate margins, which weakened further in Q2, and whether aluminium and gold can sustain their stronger performance.

Gross profit by segment, H1 SAR billion



GGM = Gold and Growth Minerals.

Segment results

SAR '000 · note 5.3

	Q1			Q2 (derived)			H1		
SAR '000	2025	2026	Change	2025	2026	Change	2025	2026	Change
PHOSPHATE									
Revenue	4,470,194	3,970,859	−11.2%	5,183,119	5,118,763	−1.2%	9,653,313	9,089,622	−5.8%
Gross profit	1,828,231	884,760	−51.6%	2,136,384	715,557	−66.5%	3,964,615	1,600,317	−59.6%
Gross margin	*40.9%*	*22.3%*	*−18.6 pp*	*41.2%*	*14.0%*	*−27.2 pp*	*41.1%*	*17.6%*	*−23.5 pp*
Underlying EBITDA	2,166,433	1,798,489	−17.0%	2,418,482	1,229,578	−49.2%	4,584,915	3,028,067	−34.0%
Underlying EBITDA margin	*48.5%*	*45.3%*	*−3.2 pp*	*46.7%*	*24.0%*	*−22.6 pp*	*47.5%*	*33.3%*	*−14.2 pp*
ALUMINIUM									
Revenue	2,709,564	2,771,362	+2.3%	2,550,256	3,793,662	+48.8%	5,259,820	6,565,024	+24.8%
Gross profit	635,108	796,929	+25.5%	465,010	1,244,297	+167.6%	1,100,118	2,041,226	+85.5%
Gross margin	*23.4%*	*28.8%*	*+5.3 pp*	*18.2%*	*32.8%*	*+14.6 pp*	*20.9%*	*31.1%*	*+10.2 pp*
Underlying EBITDA	814,885	1,009,224	+23.8%	655,532	1,539,462	+134.8%	1,470,417	2,548,686	+73.3%
Underlying EBITDA margin	*30.1%*	*36.4%*	*+6.3 pp*	*25.7%*	*40.6%*	*+14.9 pp*	*28.0%*	*38.8%*	*+10.9 pp*
GOLD AND GROWTH MINERALS									
Revenue	1,186,993	1,884,405	+58.8%	1,461,070	1,961,652	+34.3%	2,648,063	3,846,057	+45.2%
Gross profit	719,966	1,427,301	+98.2%	909,440	1,411,150	+55.2%	1,629,406	2,838,451	+74.2%
Gross margin	*60.7%*	*75.7%*	*+15.1 pp*	*62.2%*	*71.9%*	*+9.7 pp*	*61.5%*	*73.8%*	*+12.3 pp*
Underlying EBITDA	806,785	1,427,081	+76.9%	859,828	1,253,749	+45.8%	1,666,613	2,680,830	+60.9%
Underlying EBITDA margin	*68.0%*	*75.7%*	*+7.8 pp*	*58.8%*	*63.9%*	*+5.1 pp*	*62.9%*	*69.7%*	*+6.8 pp*
ALL OTHER SEGMENTS [1]									
Revenue	144,163	159,928	+10.9%	221,323	65,156	−70.6%	365,486	225,084	−38.4%
Gross profit	8,064	16,041	+98.9%	12,480	17,610	+41.1%	20,544	33,651	+63.8%
Underlying EBITDA	−319,520	−620,306	n.m.	−148,432	−121,687	n.m.	−467,952	−741,993	n.m.

Q2 segment figures are derived as six months less three months; the segment note discloses Q1 and H1 only. The Q1 2026 statements name the third segment "Base Metals and New Minerals"; the H1 2026 statements name it "Gold and Growth Minerals (GGM)". The 2025 comparatives are identical in both, so the segment is treated as the same. [1] Corporate, infrastructure and other activities; underlying EBITDA is negative in all periods, so change % is not meaningful.

3 Financial position

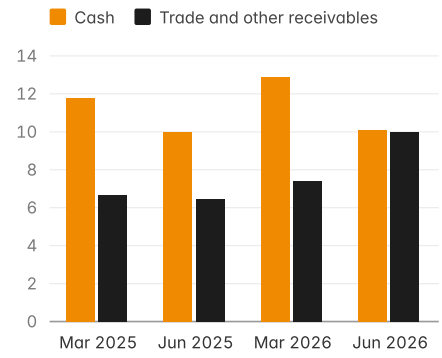
Stronger balance sheet, with more capital tied up in receivables

At June 2026, equity was 12.7% higher than a year earlier and borrowings were 2.5% lower. Current assets covered short-term liabilities 1.69 times, up from 1.57 times. However, trade and other receivables rose 54.5% to SAR 10.00 billion, while cash was almost unchanged year on year. The balance sheet is stronger, but more money is tied up in receivables.

WHAT TO WATCH

Cash collections. Cash fell SAR 2.78 billion between March and June 2026, despite the stronger year-on-year liquidity ratio.

Cash and receivables SAR billion



Cash and cash equivalents; trade and other receivables. Balances at 31 March and 30 June.

Statement of financial position

SAR '000

	31 March				30 June			
SAR '000	2025	2026	Change	Change %	2025	2026	Change	Change %
ASSETS								
Inventories	7,140,199	7,972,848	+832,649	+11.7%	7,399,345	8,127,733	+728,388	+9.8%
Trade and other receivables [1]	6,668,207	7,398,392	+730,185	+11.0%	6,471,990	10,000,003	+3,528,013	+54.5%
Cash and cash equivalents	11,783,527	12,863,178	+1,079,651	+9.2%	9,993,187	10,079,712	+86,525	+0.9%
Time deposits	577,212	123,103	−454,109	−78.7%	375,224	474,622	+99,398	+26.5%
Total current assets	**27,267,134**	**29,146,285**	**+1,879,151**	+6.9%	**24,717,735**	**29,324,932**	**+4,607,197**	+18.6%
Total assets	**117,721,791**	**123,764,163**	**+6,042,372**	+5.1%	**115,191,963**	**125,720,012**	**+10,528,049**	+9.1%
LIABILITIES AND EQUITY								
Total current liabilities	**16,479,519**	**17,046,167**	**+566,648**	+3.4%	**15,757,879**	**17,312,985**	**+1,555,106**	+9.9%
Borrowings (current and non-current)	37,109,050	34,328,471	−2,780,579	−7.5%	34,031,976	33,174,864	−857,112	−2.5%
Lease liabilities (current and non-current)	1,429,010	1,789,902	+360,892	+25.3%	1,337,798	1,715,587	+377,789	+28.2%
Net debt [2]	**26,177,321**	**23,132,092**	**−3,045,229**	−11.6%	**25,001,363**	**24,336,117**	**−665,246**	−2.7%
Equity attributable to ordinary shareholders	53,273,496	63,070,721	+9,797,225	+18.4%	57,375,082	65,226,416	+7,851,334	+13.7%
Non-controlling interest	8,130,656	6,102,127	−2,028,529	−24.9%	6,024,589	6,208,431	+183,842	+3.1%
Total equity	**61,404,152**	**69,172,848**	**+7,768,696**	+12.7%	**63,399,671**	**71,434,847**	**+8,035,176**	+12.7%

2025 balances are published in full Saudi riyals and are shown here in SAR '000, rounded; totals are rounded from unrounded sums. [1] The statements present trade and other receivables as one line; a separate total for trade receivables is not disclosed. [2] Borrowings plus lease liabilities, less cash and cash equivalents and time deposits.

Leverage and liquidity

	31 March			30 June		
Indicator	2025	2026	Change	2025	2026	Change
Gross debt to equity (borrowings + leases ÷ total equity)	0.63x	0.52x	−0.11x	0.56x	0.49x	−0.07x
Net debt to equity	0.43x	0.33x	−0.09x	0.39x	0.34x	−0.05x
Current ratio	1.65x	1.71x	+0.06x	1.57x	1.69x	+0.13x
Equity to total assets	52.2%	55.9%	+3.7 pp	55.0%	56.8%	+1.8 pp
Working capital (SAR '000)	10,787,615	12,100,118	+12.2%	8,959,856	12,011,947	+34.1%

Source: Maaden condensed consolidated interim financial statements (unaudited), Q1 and H1 2025 and 2026; Saudi Exchange.

4 Cash flows

Operating cash flow did not cover capital spending in H1 2026

H1 operating cash flow fell 41.5% to SAR 2.08 billion, while capital spending rose 36.2% to SAR 3.76 billion. This left a SAR 1.68 billion free cash flow deficit, compared with a SAR 800 million surplus in H1 2025. Most of the deficit arose in Q2. Operations therefore did not generate enough cash to cover investment spending.

WHAT TO WATCH

Whether cash generation improves as investment continues. The lower total investing outflow is misleading on its own: 2025 included a large investment in an associate, while capital spending actually increased in 2026.

Cash flow summary

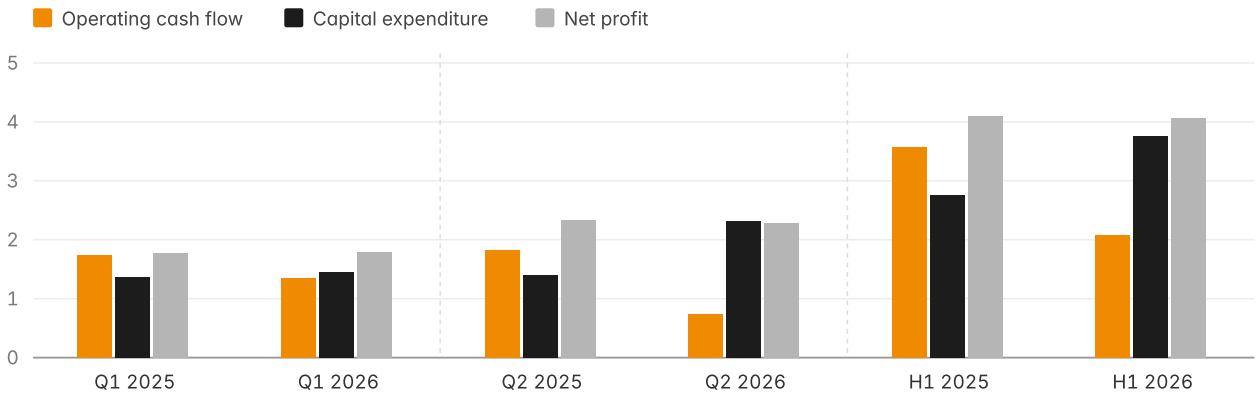
SAR '000

	Q1			Q2 (derived)			H1		
SAR '000	2025	2026	Change	2025	2026	Change	2025	2026	Change
Net cash generated from operating activities	**1,737,209**	**1,342,943**	−22.7%	**1,825,311**	**740,504**	−59.4%	**3,562,520**	**2,083,447**	−41.5%
Net cash used in investing activities	**5,554,850**	**765,995**	−86.2%	**537,888**	**2,277,543**	+323.4%	**6,092,738**	**3,043,538**	−50.0%
of which: investment in an associate [1]	*3,617,283*	*0*	*−100.0%*	*0*	*0*	*n.m.*	*3,617,283*	*0*	*−100.0%*
Investing outflow excluding investment in an associate	1,937,567	765,995	−60.5%	537,888	2,277,543	+323.4%	2,475,455	3,043,538	+22.9%
CAPITAL EXPENDITURE									
Additions to mine properties	135,577	179,283	+32.2%	213,726	259,649	+21.5%	349,303	438,932	+25.7%
Additions to property, plant and equipment	285,664	78,120	−72.7%	35,843	179,045	+399.5%	321,507	257,165	−20.0%
Additions to capital work-in-progress	933,007	1,193,845	+28.0%	1,147,116	1,870,821	+63.1%	2,080,123	3,064,666	+47.3%
Additions to intangible assets	11,288	2,291	−79.7%	231	558	+141.6%	11,519	2,849	−75.3%
Capital expenditure	**1,365,536**	**1,453,539**	+6.4%	**1,396,916**	**2,310,073**	+65.4%	**2,762,452**	**3,763,612**	+36.2%
CASH GENERATION									
Free cash flow (operating cash flow less capital expenditure)	**371,673**	**−110,596**	n.m.	**428,395**	**−1,569,569**	n.m.	**800,068**	**−1,680,165**	n.m.
Net profit for the period	1,766,788	1,788,345	+1.2%	2,327,989	2,281,578	−2.0%	4,094,777	4,069,923	−0.6%
Operating cash flow less net profit	−29,579	−445,402	n.m.	−502,678	−1,541,074	n.m.	−532,257	−1,986,476	n.m.

Outflows are shown as positive amounts. Q2 cash-flow figures are derived as six months less three months. Q1 2026 investing activities include SAR 259,618 thousand of insurance proceeds received against property damage. [1] Q1 2025 included an investment in an associate of 3,617,283. Excluding it, the investing outflow changed −60.5% in Q1 and +22.9% in H1.

Operating cash flow, capital expenditure and net profit

SAR billion



Source: Maaden condensed consolidated interim financial statements (unaudited), Q1 and H1 2025 and 2026; Saudi Exchange.

5 Sector indicators

Saudi mining under Vision 2030, and the indicators that matter to investors

Saudi mining and mineral resources under Vision 2030

Saudi Arabia is developing mining as a third pillar of its economy, supported by licensing reform, geological surveys, exploration incentives and investment in processing and infrastructure. Vision 2030 materials identify a 2030 mining GDP contribution ambition of approximately USD 75 billion. The estimated mineral resource value exceeds USD 2.5 trillion. This indicates the scale of the opportunity; it is not annual revenue, company value or a measure of economically recoverable reserves. [1–2]

Indicators that matter to investors

Exploration and licensing

Track exploration spending, new licences, drilling results and conversion of discoveries into commercially viable reserves. These show whether the sector is creating a pipeline of future mines. More licences alone do not guarantee production or attractive returns.

Investment and project delivery

Track committed private and foreign capital, financial close, construction progress and new capacity entering production. Actual commissioning is stronger evidence of growth than announced project values. Reliable power, water, rail and port connections are essential to turn mineral deposits into competitive exports.

Demand and industrial development

Fertilizer demand supports phosphate, while electrification and industrial investment support demand for metals such as copper and aluminium. Growth in domestic processing and manufacturing could retain more value within Saudi Arabia and broaden demand for locally mined materials. These are long-term demand drivers, not guarantees of higher commodity prices.

Sector competitiveness

Monitor mining GDP, non-oil mineral exports, production volumes, operating costs and local supplier development. Rising output and exports alongside competitive costs would provide stronger evidence that Vision 2030 investment is producing sustainable economic value.

Investment implication

For Maaden, a larger Saudi mining ecosystem can expand access to resources, infrastructure, skilled labour and partners. The opportunity is to convert that support into profitable mines and processing capacity. Investors should judge progress by delivered production and returns on capital, rather than the size of the national mineral resource estimate.

Maaden operating indicators

days: Q1 90, Q2 91, H1 181

	Q1			Q2 (derived)			H1		
Indicator	2025	2026	Change	2025	2026	Change	2025	2026	Change
Operating cash flow ÷ net profit	0.98x	0.75x	−0.23x	0.78x	0.32x	−0.46x	0.87x	0.51x	−0.36x
Operating cash flow ÷ underlying EBITDA	0.50x	0.37x	−0.13x	0.48x	0.19x	−0.29x	0.49x	0.28x	−0.21x
Interest cover (operating profit ÷ finance cost)	3.84x	5.17x	+1.33x	4.64x	6.86x	+2.22x	4.22x	5.87x	+1.64x
Capital expenditure ÷ revenue	16.0%	16.5%	+0.5 pp	14.8%	21.1%	+6.3 pp	15.4%	19.1%	+3.7 pp
Inventory days	121	127	+6	114	98	−16	119	111	−8
Receivable days (trade and other receivables)	71	76	+5	63	83	+21	65	92	+26

Q2 operating cash flow, capital expenditure and underlying EBITDA are derived (H1 less Q1). Inventory days = closing inventories ÷ cost of revenue × days; receivable days = closing trade and other receivables ÷ revenue × days. Closing balances are used (31 March for Q1; 30 June for Q2 and H1) and ratios are not annualised. Changes are in the unit of the indicator.

Sources: [1–2] as listed on page 12; Maaden condensed consolidated interim financial statements (unaudited), Q1 and H1 2025 and 2026.

6 Growth potential

Gold, Phosphate 3 and global critical minerals

> Over a 20-to-30-year horizon, the investment case depends on repeated reserve replacement, profitable expansion and reinvestment. Strategy 2040 provides an intermediate roadmap; it does not by itself establish earnings through 2046–2056. Maaden's disclosed approach combines exploration, project development and improvements to existing operations. The following catalysts could build a broader earnings base. [3]

Gold expansion through Mansourah-Massarah and Ar Rjum

Mansourah-Massarah has an original annual nameplate capacity of 250,000 ounces. Higher sustained utilisation, better recovery and underground expansion through the Deeps project could increase output and extend the value of the surrounding gold district. The Deeps opportunity remains dependent on studies, economic reserves and development approval; discoveries are not equivalent to future cash flow. [3–4]

Ar Rjum adds a separate source of gold production. Maaden announced its investment decision in 2025 and an EPCM contract in October 2025. The disclosed design includes an eight-million-tonne annual ore processing plant and projected production of 3.6 million ounces over a 12-year mine life. This is material growth, but a 12-year project cannot support a 30-year forecast without further discoveries or replacement assets. [5]

Phosphate 3 expansion

Phosphate 3 is planned in two phases of 1.5 million tonnes of annual fertilizer capacity each. The 2025 development update targeted Phase 1 mechanical completion at the end of 2026, followed by commissioning and ramp-up in 2027. Phase 2 represents additional capacity in the growth pipeline and should be assessed separately for approval, funding and delivery. These are disclosed plans, not confirmation that milestones have been achieved. [3, 6]

The investor opportunity is higher fertilizer sales into long-term agricultural demand, with existing mining, processing and export infrastructure supporting scale. Successful ramp-up could spread fixed costs across more tonnes and improve cash generation after construction spending declines. The benefit depends on selling the additional output at prices that cover feedstock, energy, freight and sustaining investment.

Global critical minerals through Manara Minerals

Manara's completed acquisition of a 10% interest in Vale Base Metals provides exposure to copper and nickel assets across Brazil, Canada and Indonesia. Electrification, grids and energy infrastructure offer a demand case for copper; nickel offers additional exposure but remains vulnerable to oversupply and changes in battery technology. [7]

These investments can diversify Maaden's economic exposure beyond Saudi phosphate, aluminium and gold. However, the underlying investee sales should not be presented as Maaden's own consolidated revenue. Investor value depends on Maaden's economic interest, attributable investment earnings and cash distributions, after funding needs. Portfolio diversification can reduce reliance on one commodity, but cannot remove the mining cycle.

WHAT TO WATCH

Gold output and recovery, reserve replacement, project approval and commissioning milestones, phosphate utilisation, capital spending and eventual cash distributions from overseas investments. The key test is whether returns exceed the cost of capital over the cycle.

Sources: [3–7] as listed on page 12.

7 Risk factors and conclusion

How the main risks reach EBITDA and free cash flow

The main risks affect Maaden through selling prices, production costs, shipment volumes and the timing of cash receipts. EBITDA measures operating earnings before interest, tax, depreciation and amortisation. Free cash flow here means operating cash flow less capital spending. The mechanisms below are analytical scenarios, not claims that each event has occurred.

Commodity price volatility

Lower phosphate prices reduce revenue per tonne, particularly squeezing EBITDA margins when sulphur, ammonia, energy and freight costs remain high. Lower aluminium prices similarly compress the spread between selling prices and power, alumina and other production costs. Falling gold prices reduce revenue per ounce while mining and processing costs can remain relatively fixed. Across all three businesses, operating leverage can make EBITDA fall faster than sales. Lower operating cash generation then reduces free cash flow, especially while growth capital spending continues. Gold may diversify the earnings mix, but it is not a guaranteed hedge.

Maritime logistics bottlenecks

Port congestion, vessel shortages or disrupted shipping routes can increase freight, insurance, storage and demurrage costs. When Maaden bears these costs and cannot pass them on, EBITDA margins fall. Delayed deliveries can defer sales and collections, while unsold inventory ties up cash. If storage fills and production must be reduced, fixed costs are spread over fewer tonnes. Free cash flow can therefore weaken through both lower operating earnings and higher working capital.

Geopolitical export friction

Tariffs, import restrictions, sanctions-related compliance or payment constraints could limit access to customers or force sales into alternative markets at lower net prices. Extra transport and compliance costs reduce EBITDA margins; lower shipment volumes can also weaken plant utilisation. Longer payment cycles and disputed or overdue receivables absorb cash, reducing operating cash flow. The impact depends on the affected products, destinations and contract terms.

Delays and overruns in major capital projects

A delay at Phosphate 3 or Ar Rjum postpones the production and EBITDA expected from the new asset. Contractor claims, equipment inflation and rework can increase the remaining capital bill, while start-up inefficiencies raise operating costs once production begins. Free cash flow suffers because capital spending continues or rises before the expected cash inflows arrive. Capitalised construction costs do not immediately reduce EBITDA; the immediate effects are higher investment outflows and delayed earnings. Additional borrowing raises interest expense and cash financing requirements, although interest itself is excluded from EBITDA.

Funding and cash collection

Persistent weak cash conversion leaves less internally generated cash to finance expansion. Maaden may need to draw down reserves, increase debt or rephase projects. Higher debt service reduces funding flexibility, while rephasing can defer growth. Investors should monitor receivable ageing, available liquidity and committed expenditure together.

8 Conclusion

Maaden offers exposure to Saudi mining development, larger gold and phosphate operations, and global critical minerals. The long-term case depends on replacing reserves and delivering profitable capacity while protecting liquidity. Stronger production only creates durable shareholder value when it converts into cash after operating costs and investment.

A Method, formulas and definitions

Worked examples use H1 2026 for flows and 30 June 2026 for balances

Indicator	Formula and definition	Worked example (H1 2026 / 30 June 2026, SAR '000)
Revenue growth	Current-period revenue less prior-period revenue, divided by prior-period revenue, × 100.	(19,725,787 − 17,926,682) ÷ 17,926,682 × 100 = 10.0%
Gross margin	Gross profit ÷ revenue × 100.	6,513,645 ÷ 19,725,787 × 100 = 33.0%
Underlying EBITDA margin	Company-disclosed underlying EBITDA (segment note 5.3) ÷ revenue × 100.	7,515,590 ÷ 19,725,787 × 100 = 38.1%
Operating profit excl. other operating income	Operating profit less other operating income, net. Removes one-off items such as insurance income.	4,896,035 − 421,326 = 4,474,709
Net margin attributable to shareholders	Net profit attributable to ordinary shareholders of the parent ÷ revenue × 100.	3,811,084 ÷ 19,725,787 × 100 = 19.3%
Net debt	Borrowings plus lease liabilities (current and non-current), less cash and cash equivalents and time deposits.	33,174,864 + 1,715,587 − 10,079,712 − 474,622 = 24,336,117
Net debt to equity	Net debt ÷ total equity (including non-controlling interest).	24,336,117 ÷ 71,434,847 = 0.34x
Current ratio	Total current assets ÷ total current liabilities.	29,324,932 ÷ 17,312,985 = 1.69x
Capital expenditure	Sum of cash additions to mine properties, property, plant and equipment, capital work-in-progress and intangible assets.	438,932 + 257,165 + 3,064,666 + 2,849 = 3,763,612
Free cash flow	Net cash generated from operating activities less capital expenditure.	2,083,447 − 3,763,612 = −1,680,165
Operating cash flow ÷ EBITDA	Net cash generated from operating activities ÷ underlying EBITDA. Measures cash conversion after working capital, zakat, tax, severance fees and finance cost paid.	2,083,447 ÷ 7,515,590 = 0.28x
Interest cover	Operating profit ÷ finance cost for the same period.	4,896,035 ÷ 834,536 = 5.87x
Inventory days	Closing inventories ÷ cost of revenue for the period × days in the period.	8,127,733 ÷ 13,212,142 × 181 = 111
Receivable days	Closing trade and other receivables ÷ revenue for the period × days in the period.	10,000,003 ÷ 19,725,787 × 181 = 92

B Data notes

Basis of preparation for the financial figures

Sources	Condensed consolidated interim financial statements (unaudited): Q1 2025 (published 13 May 2025), H1 2025 (13 August 2025), Q1 2026 (5 May 2026) and H1 2026 (10 August 2026), Saudi Exchange.
Comparatives	Income statement and cash flow figures for 2025 are taken from the comparative columns of the 2026 statements (SAR '000). They differ from the originally published 2025 figures by no more than SAR 2 thousand per line (for example, Q2 2025 net profit: 2,327,990 originally, 2,327,989 as comparative). Balance-sheet comparatives in the 2026 statements are at 31 December 2025, so 31 March and 30 June 2025 balances are taken from the 2025 statements.
Net profit and minority interests	Net profit for the period includes non-controlling interest. The share of profit attributable to non-controlling interest fell from 622,978 to 258,839 in H1. In 2025 Maaden acquired the remaining non-controlling interests held by foreign shareholders in Maaden Aluminum Company (MAC) and Maaden Bauxite and Alumina Company (MBAC) against 85,977,547 new Maaden shares (H1 2025 statements, note 14); non-controlling interest in equity fell from 8,130,656 at 31 March 2025 to 6,024,589 at 30 June 2025. Profit attributable to shareholders rose 9.8% in H1 while total net profit fell 0.6%. The weighted average number of shares rose 2.3% (3,794,919 thousand to 3,881,800 thousand, note 7.1), so EPS grew less than attributable profit.
One-off items	Q1 2026: insurance income of SAR 375 million recognised in other operating income (phosphate), and Maaden's share (SAR 338 million) of a one-off impairment recognised by Manara on its investment in Vale Base Metals, within share in net profit / (loss) of joint ventures and an associate. H1 2025: a one-off reversal of net deferred tax liabilities of SAR 133 million following the MAC/MBAC acquisition, reflected in the income tax credit (H1 2026 statements, note 2). Q1 2025: an investment in an associate of SAR 3,617,283 thousand within investing activities.
Derived figures	The statements disclose cash flows, segment data and underlying EBITDA for three and six months only. Q2 figures for these items are derived as six months less three months. Income statement Q2 figures are as reported.
Indicators not used	Contract assets, contract liabilities, net contract position and contract-based collection days are not presented. They apply to contract-driven businesses. In H1 2026, 96.9% of Maaden's revenue (19,107,090 of 19,725,787) was recognised at a point in time from the sale of goods (note 6.1). Separate totals for trade receivables and trade payables are not disclosed on the face of the statements, so receivable days use trade and other receivables.
Conventions	SAR '000 unless stated. Expenses, finance cost and cash outflows are shown as positive amounts; changes are 2026 minus 2025. Percentages are rounded to one decimal place and multiples to two. Period ratios are not annualised, and three-month and six-month figures should not be compared with each other.

C

Sources, basis and disclaimer

References for Sections 5–7

Sources and basis

Sections 1–4 are based on Maaden's condensed consolidated interim financial statements for Q1 and H1 2025 and 2026, and all figures have been reconciled to those statements. The sector and project discussion uses the dated official publications below; project dates are management targets from those publications. Risk impacts and investment implications are analytical assessments.

References

1 Saudi Vision 2030 Annual Report 2023
https://www.vision2030.gov.sa/media/xi2jlj0y/english_vision2030_annual_report_2023.pdf

2 Saudi Vision 2030 Annual Report 2025
https://www.vision2030.gov.sa/media/ecdjfopq/vision2030_annual_report_2025_en.pdf

3 Maaden Q2 2025 Results Presentation, 7 August 2025
https://axvpvthrjz64.compat.objectstorage.me-jeddah-1.oraclecloud.com/maaden-website-assets/reports/results-centre/2025/q2-fy25---maaden-ec-presentation_v18_clean.pdf

4 Maaden Sustainability Report 2023
https://axvpvthrjz64.compat.objectstorage.me-jeddah-1.oraclecloud.com/maaden-website-assets/reports/sustainability-reports/2023-maaden-sustainability-report-03-compressed_2.pdf

5 Maaden Ar Rjum Development Contract, 23 October 2025
https://ksatools.eurolandir.com/tools/Pressreleases/GetPressRelease/?ID=7837129&companycode=sa-maaden&lang=en-GB&v=r2025

6 Maaden Supporting Materials, May 2025
https://axvpvthrjz64.compat.objectstorage.me-jeddah-1.oraclecloud.com/maaden-website-assets/reports/results-centre/2025/supporting-materials.pdf

7 Vale: Completion of Manara Partnership, 30 April 2024
https://www.vale.com/in/w/vale-announces-completion-of-strategic-partnership-agreement-with-manara-minerals

H1 means January–June. Financial comparisons in Sections 1–4 are year on year unless stated. The project outlook is not a 20-to-30-year earnings forecast.

DISCLAIMER

This report is for information and educational purposes only. It does not constitute investment advice, an offer or a recommendation to buy or sell any security. Figures are taken from published financial statements and the sources listed; forward-looking statements and project milestones reflect company targets and analytical assessments that may not be achieved. Readers should conduct their own analysis or consult a licensed adviser before making investment decisions.