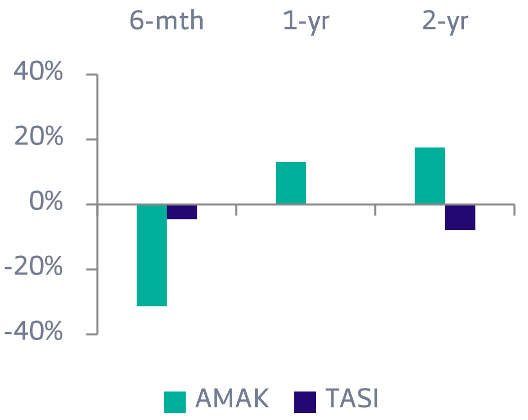
Al Masane Al Kobra Mining Company (AMAK) 2Q2026 First Look

Base Metals Plant Online, Khutainah Contribution Unknown

August 5, 2026

Upside to Target Price	35.7%	Rating	Buy
Expected Dividend Yield	3.4%	Last Price	SAR 73.70
Expected Total Return	39.1%	12-mth target	SAR 100.00

Market Data	
52-week high/low	SAR 117.5 / 60.3
Market Cap	SAR 6,633 mln
Shares Outstanding	90 mln
Free-float	64.73%
12-month ADTV	405,231
Bloomberg Code	AMAK AB



AMAK	2Q2026	2Q2025	Y/Y	1Q2026	Q/Q	RC Estimate
Sales	237	259	(8%)	218	8%	285
Gross Profit	66	110	(41%)	88	(25%)	121
Gross Margins	28%	43%		40%		42%
Operating Profit	44	91	(51%)	72	(39%)	101
Net Profit	35	73	(53%)	60	(42%)	84

(All figures are in SAR mln)

- AMAK generated revenues of SAR 237 mln in 2Q26, decreasing -8% Y/Y and increasing +8% Q/Q, lower than our estimate of SAR 285 mln, overwhelmingly driven by, as management noted, the temporary suspension of base metals processing at its Al Masane (ALM) plant, which resumed operations on 13 May 2026 – leaving roughly half a quarter of concentrate output against the fuller quarter we had modelled. As we have noted previously, the suspension is in line with AMAK's long-term business plan, bolstering the Company's ability to increase ore production from nearby orebodies such as Saadah and Al Houra, which we highlight as imperative to set AMAK up for a strong 2027. Gross profits fell -25% Q/Q and -41% Y/Y, with the compression driven by a partial quarter of concentrate sales absorbing a full quarter of fixed processing costs, alongside softer gold pricing. Sequentially, price movements were mixed, with base metals positive – zinc (+5%) and copper (+3%) – while precious metals spot averages fell, gold -11% and silver -18%; we note the Company attributes part of the Q/Q revenue increase to higher realized silver prices, a divergence from spot averages we attribute to shipping timing and provisional pricing. We also note that sequential changes in precious metal pricing can belie the fact that Y/Y both spot gold and silver prices are still higher, by +33% and +104%, respectively.
- Regarding revenue segments, although data is not yet available (as of the time this report was written), we expect that base metals, specifically copper and zinc concentrates, carried the topline this quarter, as the ALM restart boosted production levels and sequential pricing improvement in both metals was a tailwind. Most notably, this quarter acts as a weather vane for AMAK's margin sensitivity to precious metals pricing, as double-digit sequential declines in gold spot prices coincided with the sharpest margin compression since the plant expansion.
- AMAK reported net profits of SAR 35 mln in 2Q26, decreasing -53% Y/Y and -42% Q/Q, below our more optimistic estimate of SAR 84 mln, as our assumptions for both revenues and gross margins again proved too aggressive; higher G&A and income tax expenses added to the sequential decline, partly offset by lower severance costs. With a full quarter of ALM volumes from 3Q26, Khutainah's first ore delivery to the Guyan plant is the next catalyst, the SAR 680 mln rights issue and drilling subsidiary advancing the growth pipeline, the stock down from prior highs, and copper especially having maintained strong pricing, we maintain our target price, rating, and outlook.

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Disclaimer

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

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