Saudi Arabian Mining Company (MAADEN)

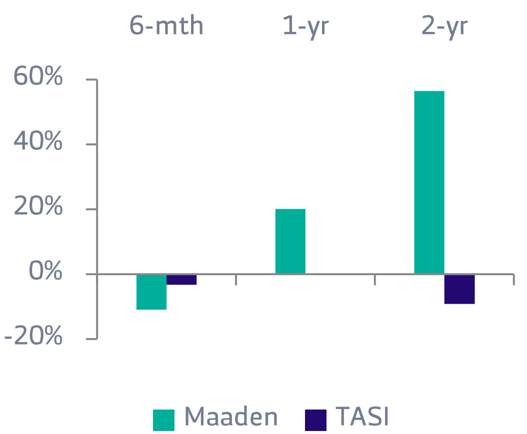
2Q2026 First Look

Record Aluminum Performance; Sulfur Cost Question Lingers

August 16, 2026

Upside to Target Price	10.2%	Rating	Neutral
Expected Dividend Yield	0.0%	Last Price	SAR 64.45
Expected Total Return	10.2%	12-mth target	SAR 71.00

Market Data	
52-week high/low	SAR 79.90 / 51.25
Market Cap	SAR 250,631 mln
Shares Outstanding	3,889 mln
Free-float	36.22%
12-month ADTV	1,907,565
Bloomberg Code	MAADEN AB



MAADEN	2Q2026	2Q2025	Y/Y	1Q2026	Q/Q	RC Estimate
Sales	10,939	9,416	16%	8,787	25%	9,525
Gross Profit	3,389	3,523	(4%)	3,125	8%	4,117
Gross Margins	31%	37%		36%		43%
Operating Profit	2,363	2,560	(8%)	2,533	(7%)	3,181
Net Profit	2,175	1,922	13%	1,636	33%	2,247

(All figures are in SAR mln)

- Maaden reported 2Q26 revenues of SAR 10,939 mln, up by +16% Y/Y and +25% Q/Q, above our estimate of SAR 9,525 mln. The quarter was mostly defined by sales mix, highlighting the premiums received for aluminum. Aluminum delivered its strongest EBITDA to date, with realized prices of USD 3,915/mt moving up by +51% Y/Y and +19% Q/Q, lifting segment EBITDA margin to 41% from 26% in 2Q25; management attributed the price strength to curtailment at other GCC producers. Gold production of 118 koz rose by +10% Y/Y as both temporarily suspended mines returned. Phosphate revenue was mostly flat Y/Y at SAR 5,119 mln (+29% Q/Q as 1Q26 inventory cleared), as realized DAP prices of USD 863/mt (+28% Y/Y) offset DAP production falling −28% both Y/Y and Q/Q.
- Phosphate EBITDA margin compressed to 24%, from 47% in 2Q25 and from approximately 35% in 1Q26 excluding the one-off insurance reimbursement. Management identified sulfur prices as the primary driver, stating a Y/Y cost impact of roughly USD 250 mln and the Q/Q increase at roughly USD 100 mln; we also note higher logistics costs as another factor. Maaden's sulfur supply agreement provides surety of volume but is market-priced (per management), leaving no protection from sulfur prices at twenty-year highs. 2026 DAP production guidance was revised down to 6,000–6,500 kmt, which management attributed to the 2Q26 output and sulfur constraints, along with the erosion of the buffer that had supported possible pre-commissioning output from Phosphate 3; ammonia guidance was withdrawn until the situation changes. Aluminum and gold guidance are maintained and tracking towards the higher-end.
- Maaden reported net profit of SAR 2,175 mln in 2Q26, up by +13% Y/Y and +33% Q/Q, in line with our estimate of SAR 2,247 mln. Cash conversion weakened: CFFO of SAR 741 mln against net profit of SAR 2,175 mln reflects a SAR 2,723 mln receivables build, as the alternative supply chain geared up late in the quarter. Regarding liquidity, cash and equivalents declined to SAR 10,080 mln in 2Q26, from SAR 12,863 mln at 1Q26; management expects these receivables to convert shortly and has also maintained capex guidance (noting a 2H26 ramp). We maintain our Neutral rating and target price. Profits rotated toward aluminum and gold, but the aluminum premium rests on competitor outages that management indicated may prove shorter-lived than expected, while phosphate margin recovery remains a function of the sulfur market, which Maaden cannot control.

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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

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