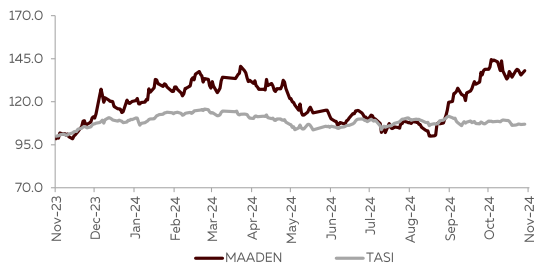


Saudi Arabian Mining Co. (Maaden)

Recommendation	Buy
Current Market Price (SAR)	54.0
52wk High / Low (SAR)	57.4/38.5
Mkt. Cap. (USD/SAR Mn)	52,144/195,664
Shares Outstanding (mn)	3,691.8
Free Float (%)	32.7%
3m Average Vol. (000)	2,986
3m Avg Daily Turnover (SAR'000)	142,555
P/E'24e (x)	33.1
EV/EBITDA'24e (x)	16.2

Source: Bloomberg

Relative Price Performance



Key Indicators

SAR (mn)	2022	2023	2024e	2025e
Revenue	40,277	29,272	31,183	32,404
Gross profit	16,249	6,914	10,914	11,665
Gross margin (%)	40%	24%	35%	36%
EBIT	13,537	3,816	9,112	8,772
EBIT margin (%)	34%	13%	29%	27%
EBITDA	18,121	8,596	14,241	14,264
EBITDA margin (%)	45%	29%	46%	44%
Net Income	9,319	1,577	6,020	5,927
Net margin (%)	23%	5%	19%	18%
EPS (SAR)	3.79	0.43	1.63	1.61
RoE (%)	24%	3%	11%	9%

Source: Company Reports, Yaqeen Capital

Major Shareholders (%)

Public Investment Fund	67.18%
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Source: Bloomberg, Yaqeen Capital

Bottom line improved amid higher revenue

- Maaden reported a net profit of SAR 971mn in 3Q2024, reversing a net loss of SAR 83mn in 3Q2023, primarily driven by higher gross profit from improved sales prices and volumes, lower depreciation, and an insurance claim, despite increased operating costs including credit loss allowances. QoQ, net profit declined by 5.1% due to higher operating expenses, lower insurance income, and reduced net profit margin, which dropped 2.2ppts QoQ to 12.1%. This was partially offset by higher gross profit, reduced finance costs, and lower zakat and severance charges.
- Revenue rose 29.2% YoY to SAR 8,045mn in 3Q2024, supported by stronger commodity prices across all products and increased sales volumes, excluding Alumina, Primary Aluminum, and Gold. On a QoQ basis, revenue increased by 12.0%, driven by higher commodity prices for most products except Flat Rolled products and improved sales volumes, excluding Alumina, Primary Aluminum, and Gold.
- Gross profit surged 158.7% YoY and 9.9% QoQ to SAR 2,403mn, supported by revenue growth. Gross margin reached 30.5%, improving by 15.0ppts YoY but declining 0.6ppts QoQ.
- Operating income grew 689.4% YoY to SAR 1,674mn, driven by higher gross profit and other operating income. However, it declined 5.7% QoQ due to increased SG&A expenses and reduced other operating income. The operating margin improved by 17.4ppts YoY to 20.8% but fell 3.9ppts QoQ.
- For 9M2024, net income increased 333.4% YoY to SAR 2,977mn, reflecting higher gross profit, lower costs, and an insurance claim, offset by increased expenses, finance costs, and taxes.
- Revenue for 9M2024 grew 6.3% YoY to SAR 22,577mn, driven by higher commodity prices across most products, excluding Ammonia and Flat Rolled products, and increased sales volumes, except for Ammonia Phosphate Fertilizer, Ammonia, and Alumina.

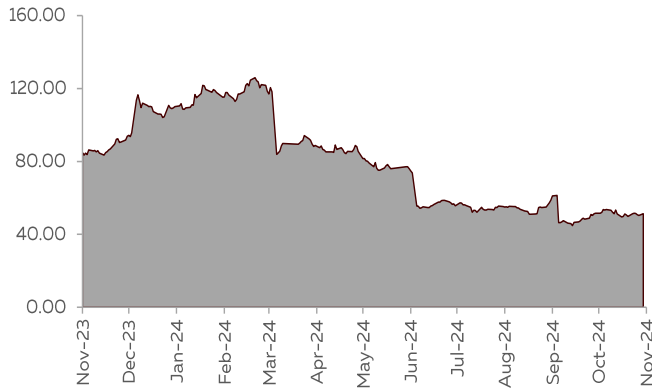
Outlook & Valuation: Maaden is strategically addressing challenges with cost optimization and efficiency measures. While short-term financial performance may be impacted, the company's focus on streamlining operations ensures profitability and strong cash flow. Additionally, China's removal of tax rebates on aluminum exports reduces competition and strengthens Maaden's market position. Together with its commitment to long-term growth, Maaden is poised to adapt and thrive despite near-term uncertainties. Based on DCF valuation, we arrive at a fair value of SAR 60.0/share, potential upside of 11.1% from the current level. Hence, we recommend a Buy rating on the stock.

Financial Summary

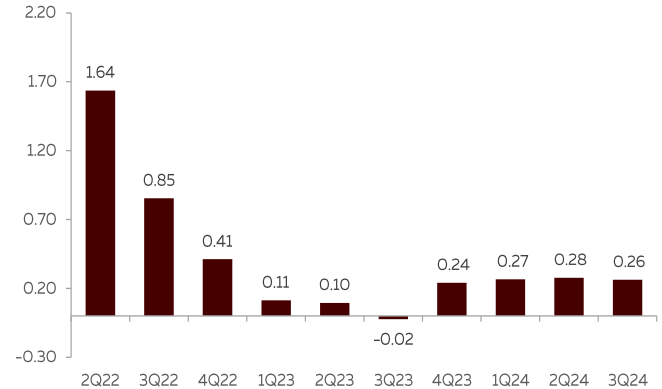
SAR (mn)	3Q2024	3Q2023	YoY	2Q2024	QoQ
Revenue	8,045	6,226	29%	7,184	12%
Gross profit	2,403	929	159%	2,188	10%
Gross margin (%)	30%	15%		30%	
EBIT	1,674	212	689%	1,774	-6%
EBIT margin (%)	21%	3%		25%	
EBITDA	2,878	1,529	88%	2,856	1%
EBITDA margin (%)	36%	25%		40%	
Net Income	971	(83)		1,024	-5%
Net margin (%)	12%			14%	
EPS (SAR)	0.26	-0.02		0.28	-5%

Source: Company Reports, Yaqeen Capital

Price to Earnings Ratio Trend



EPS (SAR) Trend



Rating Methodology

Buy: The Target share price exceeds the current share price by $\geq 10\%$

Hold: The Target share price is either more or less than the current share price by 10%

Sell: The Target share price is less than the current share price by $\geq 10\%$

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