

PRESS METAL POSTS PATAMI OF RM305.79 MILLION IN 2Q FY2023

29 August 2023, Kuala Lumpur - Press Metal Aluminium Holdings Berhad (PMETAL 8869) the largest Aluminium smelter in South-East Asia, announced its financial results for the second quarter ended 30 June 2023 ("**2Q FY2023**") today.

In 2Q FY2023, revenue moderated by 6% to RM3.76 billion compared to RM4.01 billion in the corresponding quarter of the preceding year ("**2Q FY2022**"). This was primarily attributed to the softening of metal selling prices. The comparatively lower realised metal prices also compressed operating margin and profit after tax and minority interests ("**PATAMI**") declined by 25% year-on-year to RM305.79 million. When compared to the preceding quarter ("**1Q FY2023**"), revenue improved by 22% from higher sales volume achieved and strengthening of the US Dollar. PATAMI increased by 8% quarter-on-quarter, partially aided by higher associates' contributions. With this set of results, the company has declared a second interim dividend of 1.75 sen per share payable on 29 September 2023, representing a payout ratio of 47% of PATAMI.

Addressing the results, Group Chief Executive Officer, Tan Sri Paul Koon commented: "The delay in global economic recovery has caused an easing in aluminium demand amid subdued manufacturing activities worldwide. The current weakness in aluminium price can be attributed to softened demand driven by market uncertainties rather than aluminium supply propelled by smelter restarts. Supply will continue to be constrained by limited renewable energy sources, climate pathway agenda and unpredictable weather challenges. Although energy prices have retraced, it remained significantly higher than multi-year averages prior to the pandemic.

While global aluminium demand has weakened in sectors such as building & construction and industrial segments largely due to high interest rate and inflation, there is an emerging trend of rising aluminium usage in green industries, especially both the transport and energy sectors which are showing rapid growth and becoming visibly promising in replacing some of the weaker demand in traditional applications. We are well positioned to align our growth with the complementary prospects of electric vehicles and the advancement of solar installation.

Despite the challenging environment, we continue to grow our in-house value-added products (VAP) volume demonstrating that we have continuously increased our market penetration. Our proactive approach in selling-forward and hedging practices has mitigated some of the impact of softened prices in the current challenging market situation. On a positive note, raw materials cost and freight cost are on a declining trajectory in tandem with aluminium price.

The Group is actively pursuing growth opportunities while maintaining financial resilience. We currently see numerous opportunities arising from potential manufacturing relocation activities driven by geo-political tension or decentralization due to lockdown risks. Our investment in an alumina refinery in Indonesia has yielded positive results and we continue to envisage steady contribution from this inorganic growth venture.

On the sustainability front, we remain steadfast in our efforts to reduce our carbon footprint. We have recently entered into a Memorandum of Understanding ("**MoU**") with Xi'an Jiaotong University ("**XJTU**") in China to drive research and development efforts in carbon capture and utilisation. This is another step forward for us in our commitment to address climate change and environmental challenges. Aside from operational efforts, we are also continuously elevating disclosure and transparency in ESG reporting. We have become a Task Force on Climate-related Financial Disclosures ("**TCFD**") supporter, which is an integral part of our ESG journey. We envisage that the TCFD framework will help us to better manage our climate-related risks and opportunities, and to build a more sustainable future for our company", he added.

About Press Metal Aluminium Holdings Berhad

Press Metal Aluminium Holdings Berhad is a Malaysian-based aluminium company with an extensive global presence. From a modest beginning as a privately-owned local aluminium extrusion company in 1986, it has grown into a globally integrated aluminium corporation. With a smelting capacity of 1,080,000 tonnes and an extrusion capacity of 210,000 tonnes per annum, Press Metal Aluminium Holdings Berhad is the largest integrated aluminium producer in South-East Asia.

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