

PRESS METAL REPORTS HIGHER REVENUE AMID HEADWINDS

27 May 2019, Kuala Lumpur - Press Metal Aluminium Holdings Berhad (PMETAL-8869), the largest Aluminium smelter in South East Asia released its financial results for the three months ended 31 March 2019 (“1Q FY19”) navigating market headwinds in the first quarter to report higher revenue.

1Q FY19 revenue rose by 2.2% to RM2.17 billion compared to RM2.13 billion in 1Q FY18. The group’s net profit attributable to shareholders decreased by 23.5% from RM150.48 million in 1QFY18 to RM115.11 million in 1QFY19. Despite the higher revenue, margins were lower as a result of lower realized aluminium prices and prolonged high raw material prices stemming from the partial shutdown of the world’s largest alumina refinery in Brazil.

Commenting on this result, Group Chief Executive Officer Tan Sri Paul Koon stated: “Our results are commendable in the current market environment given some players are in negative territory due to escalating costs and lower metal prices. The silver lining is that this will discourage new investments or restarts coming on-stream hence constraining any supply growth.

We remain cautious of near term demand due to trade tensions and geopolitical uncertainties, but we expect production costs to be lower moving forward from tapered raw material prices. Global alumina supply is expected to improve and prices to ease, after the Brazilian refinery announced on 21st May 2019 that it has secured all necessary approvals from authorities and the federal court to resume full production. In addition, carbon anode prices have declined from over RMB4,000 to around RMB3,300 per tonne.

We are encouraged by the demand for our value-added products (VAPs) and are confident that we can achieve our 60% VAPs target in 2019. We remain optimistic in the prospects of the aluminium industry thus we will continue to actively seek both organic and inorganic growth opportunities to strengthen our position in the market.”

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 760,000 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.

Issued by: iBES Advisory Sdn Bhd on behalf of Press Metal Aluminium Holdings Berhad

Date: 27 May 2019

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