

## **PRESS METAL LOOKS FORWARD TO CAPACITY EXPANSION DESPITE A CHALLENGING 2019**

**20 August 2019, Kuala Lumpur** - Press Metal Aluminium Holdings Berhad (PMETAL-8869), the largest Aluminium smelter in South East Asia released its financial results for the second quarter ended 30 June 2019 (“2Q FY19”).

Press Metal reported revenue of RM2.13 billion for 2Q2019, a decline of 12.5% compared to RM2.44 billion in 2Q FY18. The group’s net profit attributable to shareholders decreased by 35.9% from RM160.60 million in 2QFY18 to RM102.89 million in 2QFY19. Revenue in the second quarter was affected by lower realized aluminium prices. Margins were also impacted due to high alumina prices which has now reversed after the Brazilian refinery secured all necessary approvals to resume full production on 21 May 2019.

Commenting on this result, Group Chief Executive Officer Tan Sri Paul Koon stated: “For the last few quarters, we were operating in a challenging macro environment exacerbated by on-going trade tensions. However, our low-cost model ensured we remained profitable. With alumina prices dropping to approximately USD300 per tonne in August 2019 from the year high of USD417 per tonne, we expect margins to improve in the later part of 2019.

We are very positive of our upcoming Phase 3 smelter plant in Samalaju as we have a sterling track record of commissioning on schedule and hitting optimum capacity. This will increase our total production capacity by 42%, assuming full power drawdown. We expect positive financial contributions from this expansion commencing 4Q2020. In addition, we expect our investment in PT Bintan Alumina Indonesia to further boost our earnings once the refinery is completed by end 2020. Subsequent to the MoU, we are now in the final stages of ironing out the terms for our investment. With our strong operating cashflow of more than RM1 billion per year and the tranching nature of these investments, we are comfortable that our gearing ratio will be manageable during this expansion phase.”

### **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.

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