

## **PRESS METAL TO INCREASE SMELTING CAPACITY IN JANUARY 2021**

**4 June 2020, Kuala Lumpur** - Press Metal Aluminium Holdings Berhad (PMETAL-8869), the largest Aluminium smelter in South East Asia announced its financial results for the three months ended 31 March 2020 (“1Q FY20”).

Revenue in 1Q20 decreased by 15.7% to RM1.83 billion compared to RM2.17 billion in 1Q FY19. The group’s profit after tax and minority interest (“PATMI”) decreased by 10.9% from RM115.11 million in 1QFY19 to RM102.57 million in 1QFY20. The fall in revenue was mainly attributable to lower realised aluminium prices as compared to last year. The percentage of reduction in PATMI was lower than that of revenue due to lower raw material costs following the normalisation of alumina and carbon anode prices since 2H 2019.

Commenting on this result, Group Chief Executive Officer Tan Sri Paul Koon stated: “We were faced with a challenging start to the year due to the escalation of Covid-19 which became a pandemic, affecting all countries. Majority of the world economy was halted or severely disrupted by enforced quarantines, lock downs and travel restrictions. With reduced economic activities and shutdowns in industries, both the aluminium demand and prices were impacted. However, we have partially locked in some favourable pricing from our forward hedging which mitigated some of the impacts from the prevailing low-price environment.

We expect a recovery in prices should the situation improve without a new wave from the virus spread. Prices of key raw materials such as alumina have also normalised to a more reasonable level compared to 2019. The movements of the USD and RMB also worked in our favour, as our sales are denominated in USD and carbon anode are purchased in RMB.

Despite temporary setback from the pandemic, we are confident of our low-cost model and remain committed to execute our expansion as planned. We are targeting to commission our Phase 3 smelter in January 2021, increasing our capacity by 42% from 760,000 up to 1,080,000 tonnes per annum. The progress of our investment in the PT Bintan alumina refinery is also moving as planned and we expect Phase 1 commissioning by end of 2020.

We have successfully navigated downcycles in the past and are already planning our growth trajectory beyond this year. We are confident that our strategies will enable us to emerge stronger from this when the global economic environment improves.”

### **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 current 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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