

PRESS METAL REGISTERS HIGHER PBT OF RM124.9 MILLION DESPITE LOWER REVENUE AMID COVID-19

18 August 2020, Kuala Lumpur - Press Metal Aluminium Holdings Berhad (PMETAL-8869), the largest Aluminium smelter in South East Asia has announced its second quarter financial results for the three months ended 30 June 2020 ("2Q FY20").

Revenue in 2Q FY20 decreased by 18.9% to RM1.73 billion as compared to RM2.13 billion in 2Q FY19. The fall in revenue was mainly attributable to lower realised aluminium prices for the quarter compared to last year. However, we have existing hedges that partially locked in some favourable pricing and our average selling price in 2Q FY20 was higher than the average market price. In addition, we also benefited from lower alumina and carbon anode prices as well as lower finance costs. As a result of this and despite the fall in revenue, our 2Q FY20 profit before tax ("PBT") increased by 1.2% to RM124.92 million compared to RM123.47 million in 2Q YF19.

Commenting on this results, Group Chief Executive Officer Tan Sri Paul Koon stated: "The second quarter of this year was a very challenging and tumultuous period where the pandemic was at its height. With many countries seeing reduced economic activities and shutdowns in various industries, both aluminium demand and price were adversely impacted.

Over the months, the pandemic situation has improved which coincided with aluminium price recovering in late May and currently back at pre-COVID level. There are signs of recovery in global economic activities especially in China, where we have seen strong aluminium demand among other commodities. We believe that price is also supported by low interest rate environment and the US dollar weakness.

We are continuously exploring new markets for our value-added products and will be expanding our presence in Southeast Asia due to its economic growth potential and proximity to our plants. Demand for value-added products from key market such as Europe is also expected to recover in the next few months.

We remain committed to execute our expansion as planned, targeting to commission our Phase 3 smelter in January 2021. This will increase our capacity by 42% from 760,000 up to 1,080,000 tonnes per annum. The construction of our 25% owned PT Bintan alumina refinery is also well in progress and we expect Phase 1 commissioning in 1Q21."

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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