

## **QAMCO announces a net profit of QR 521 million for the nine-month period ended 30 September 2021**

- *QAMCO sets record for highest ever quarterly net profit of QR 233 million since incorporation, capturing benefits of strong aluminium pricing amid renewed demand with supply remained constrained*
- *QAMCO's share of revenue from the JV amounted to QR 2,127 million for the nine-month period ended 30 September 2021*
- *QAMCO's share of EBITDA from the JV stood at QR 918 million for the nine-month period ended 30 September 2021, with an EBITDA margin of 43%*
- *Earnings per share amounted to QR 0.093 for the nine-month period ended 30 September 2021*
- *QAMCO's closing cash balance (including share of cash in QAMCO's JV) stood at QAR 1,121 million*

**Doha, Qatar; 24 October 2021:** Qatar Aluminum Manufacturing Company Q.P.S.C. ("QAMCO" or "the Company"; QE Ticker: QAMC), a 50% joint venture partner in Qatar Aluminum Company (Qatalum), today reported a net profit of QR 521 million for the nine-month period ended 30 September 2021 with an earnings per share (EPS) of QR 0.093.

### **Macroeconomic overview**

Prices of aluminium continue to show strength on the back of renewed global demand, with sectors such as construction and automotive industries witnessing growth, as global economies sequentially recovered linked to market reopening on the back of successful ongoing vaccination drive. Also, given aluminium being a key input for electric vehicles (EVs), wind turbines and solar power, bringing an additional layer of long-term demand for primary aluminium.

On supply side, as the power crisis in major markets has become more acute and while decarbonization linked policy cuts remained aggressive, significant aluminium capacity has been curtailed helping accelerated inventory draws. On overall basis, as demand remained buoyant, with supply deficits continued with lower inventory levels, have sent primary aluminium prices to multi-year high and led to improved margins.

### Financial performance updates – 9M-21 vs 9M-20

Key financial indicators	9M-21	9M-20	Variance (%)
Share of JV's revenue (QR' million)	2,127	1,607	+32%
Share of JV's EBITDA (QR' million)	918	450	+104%
Net profit (QR' million)	521	12	+4,145%
EBITDA margin (%)	43%	28%	--
Earnings per share (QR per share)	0.093	0.002	

QAMCO recorded a net profit of QR 521 million for the nine-month period ended 30 September 2021, as compared to QR 12 million for the same period last year, with an earnings per share (EPS) of QR 0.093 for 9M-21 versus QR 0.002 for 9M-20.

Share of JV's revenue increased by 32% to reach QR 2,127 million as compared to QR 1,607 million for 9M-20. EBITDA increased by 104% and reached QR 918 million for 9M-21 as compared to QR 450 million for the same period last year.

QAMCO's improved financial results for 9M-21 versus same period last year, were largely attributed to an overall growth in average realized selling prices which increased by 37% during 9M-21 versus same period last year, and contributed QR 597 million positively towards bottom-line profitability of QAMCO for the nine-month period ended 30 September 2021 as compared to 9M-20.

Production activity remained stable with volumes witnessed a marginal increase of 1% during 9M-21 as compared the same period last year. Sales volumes slightly declined by 3% reflecting the timing of shipment, consequently contributed QR 77 million negatively to QAMCO's net profits for 9M-21 versus 9M-20. Although sales volumes were slightly lower than last year, QAMCO's JV remained successful in selling 100% of value-added products (VAP), while no sales of standard ingots were made during the current period. This production shift since latter part of last year has positively supported EBITDA margin evolution for the JV.

JV's cost of goods sold for 9M-21 was higher compared to the same period last year, mainly on account higher raw material costs, partially offset by favorable inventory movements and cost optimization initiatives. On overall basis, increase in cost of goods sold contributed QR 29 million negatively to QAMCO's net profits for 9M-21 versus 9M-20.

Finance cost for 9M-21 witnessed a decline of 38% versus same period last year, on account of decline in interest rates and absence of unamortized portion of financing cost being written-off last year. The decline in finance cost contributed QR 32 million positively to QAMCO's net earnings for 9M-21 in comparison to 9M-20.

### Financial performance updates – Q3-21 vs Q2-21

Key financial indicators	Q3-21	Q2-21	Variance (%)
Share of JV's revenue (QR' million)	774	714	+8%
Share of JV's EBITDA (QR' million)	360	296	+22%
Net profit (QR' million)	233	165	+41%
EBITDA margin (%)	47%	41%	--
Earnings per share (QR per share)	0.042	0.030	

Compared to Q2-21, share of JV's revenue improved by 8%, while QAMCO's net profits improved by 22%. The key contributor towards this growth was an overall increase in average selling price, which continued its positive trajectory on the back of continued macroeconomic tailwinds echoed from previous quarters, while supply side continue to remain constrained. Average realized selling prices increased by 13% during Q3-21 versus Q2-21. Sales volumes on the other hand declined marginally by 4% versus Q2-21.

### Financial position updates

Key performance indicators	As at 30-Sep-21	As at 31-Dec-20	Variance (%)
Total Assets (QR' million)	6,135	5,797	+6%
Cash and cash equivalents (QR' million)	1,121	740	+51%
Share of JV's debt (QR' million)	2,281	2,221	+3%

QAMCO's financial position continued to remain robust with liquidity position at the end of 30 September 2021 reaching QR 1,121 million in form of cash and bank balances (including proportionate share of cash and bank balances of the joint venture). During 9M-21, QAMCO's JV generated share of operating cash flows of QR 740 million, with a share of free cash flows of QR 576 million.

### Operational performance updates

QAMCO's JV continues to maintain efficiency and cost competitiveness in terms of its production and operations. CAPEX projects were conducted as per the planned schedule for the year, and in line with the operational requirements. These CAPEX programs will support JV's drive for operational efficiency and reduce carbon footprints.

QAMCO's JV continued its efforts to manage controllable cost through optimization program. Until 9M-21, the JV's realized cost savings were in excess of expectations, via higher throughput and lower operating cost expenditures, which reflected positively on JV's operating cost base, while keeping the JV on lower side of the cost curve in comparison to global peers.



## Earnings Call

QAMCO will host an IR earnings call with investors to discuss its 9M-21 results, business outlook and other matters, on 31<sup>st</sup> October 2021 at 1:30 p.m. Doha time. The IR presentation that accompanies the conference call will be posted on the 'financial information' page within the Investor Relations section at QAMCO's website.

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## About QAMCO

Qatar Aluminium Manufacturing Company Q.P.S.C. (QAMCO) was incorporated on 3 December 2018 as a Qatari shareholding company. The registered office is located at P.O. Box 3212, Doha, State of Qatar. QAMCO is a 50% shareholder in Qatalum (a joint venture of QAMCO), which is a producer and marketer of primary aluminium. QAMCO owns 50% of Qatalum's issued capital with the remaining 50% being held by Hydro Aluminium Qatalum Holding B.V.

For more information about this press release, email [gamco@qp.com.qa](mailto:gamco@qp.com.qa) or [gamco.investorrelations@qp.com.qa](mailto:gamco.investorrelations@qp.com.qa) or visit [www.gamco.com.qa](http://www.gamco.com.qa)

## DISCLAIMER

The companies in which Qatar Aluminium Manufacturing Company Q.P.S.C. directly and indirectly owns investments are separate entities. In this press release, "QAMCO" and "the Company" are sometimes used for convenience in reference to Qatar Aluminium Manufacturing Company Q.P.S.C.

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There are a number of factors that could affect the realization of these forward-looking statements such as: (a) price fluctuations in crude oil and natural gas, (b) changes in demand or market conditions for the Company's products, (c) loss of market share and industry competition, (d) environmental risks and natural disasters, (e) changes in legislative, fiscal and regulatory conditions, (f) changes in economic and financial market conditions and (g) political risks. As such, results could differ substantially from those stated, or as may be inferred from the forward-looking statements contained herein. All forward-looking statements contained in this report are made as of the date of this document.

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## GENERAL NOTES

Qatar Aluminium Manufacturing Company's accounting year follows the calendar year. However, QAMCO's first financial year was consisted of 13 months from 3 December 2018 to 31 December 2019. No adjustment has been made for leap years. Where applicable, all values refer to Qatar Aluminium Manufacturing Company's share of interest in its joint venture. Values expressed in QR millions and/or billions. All other values have been rounded to the nearest whole number. Values expressed in US \$'s have been translated at the rate of US \$1 = QR3.64.

**DEFINITIONS**

**Adjusted Free Cash Flow:** Cash Flow From Operations - Total CAPEX - Dividends • **CAGR:** 5-Year Compound Annual Growth Rate • **Cash Realisation Ratio:** Cash Flow From Operations / Net Profit x 100 • **Debt to Equity:** (Current Debt + Long-Term Debt) / Equity x 100 • **Dividend Yield:** Total Cash Dividend / Closing Market Capitalisation x 100 • **EBITDA:** Earnings Before Interest, Tax, Depreciation and Amortisation calculated as (Net Profit + Interest Expense + Depreciation + Amortisation) • **EPS:** Earnings per Share (Net Profit / Weighted number of Ordinary Shares outstanding at the year-end/period end) • **Free Cash Flow:** Cash Flow From Operations - Total CAPEX • **KMT:** Thousand Metric Tons • **LME:** London Metal Exchange • **MT PA:** Metric Tons Per Annum • **Payout Ratio:** Total Cash Dividend / Net Profit x 100 • **P/E:** Price to Earnings (Closing market Capitalisation / Net Profit) • **Utilization:** Production Volume / Rated Capacity x 100 • **\$:** United States Dollar