

## **QAMCO posts a net profit of QR 240 million for the six-month period ended 30 June 2023**

- *QAMCO's share of revenue from the JV amounted to QR 1.6 billion for the six-month period ended 30 June 2023*
- *QAMCO's share of EBITDA from the JV stood at QR 498 million, with an EBITDA margin of 31%*
- *Earnings per share amounted to QR 0.043 for the six-month period ended 30 June 2023*
- *1H-23 average realized selling prices declined by 24% versus 1H-22 amid challenging macroeconomic context*
- *QAMCO's closing cash balance (including share of cash in QAMCO's JV) stood at QAR 1.8 billion excluding restricted cash*

**Doha, Qatar; 10<sup>th</sup> August 2023:** 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 240 million for the six-month period ended 30 June 2023, with an earnings per share (EPS) of QR 0.043.

### **Updates on macroeconomic environment**

The macroeconomic context for the aluminium markets remained somewhat wavered. Several factors affected the aluminium markets, which cascaded down to the supply-demand dynamics of primary aluminium and led to volatilities in prices and demand.

Demand for aluminium was overshadowed by China's slow paced post-COVID recovery phase, coupled with lackluster demand from global construction and automobile sectors. In parallel, high interest environment continue to weigh on industrial demand for most of the commodities, including aluminium.

On the other hand, softened natural gas prices and supply disruptions evident during the last year have gradually faded to an extent, and led to better smelting rates on an overall basis, resulting in additional supply to the market. Also, easing of geo-political tensions continue to support supply of primary aluminium in the commodity markets.

On overall, aluminium prices for 1H-23 demonstrated declining trends versus 1H-22, amid macroeconomic headwinds. However, aluminum prices inched upwards sequentially during current year.

**Financial performance updates – 1H-23 vs 1H-22**

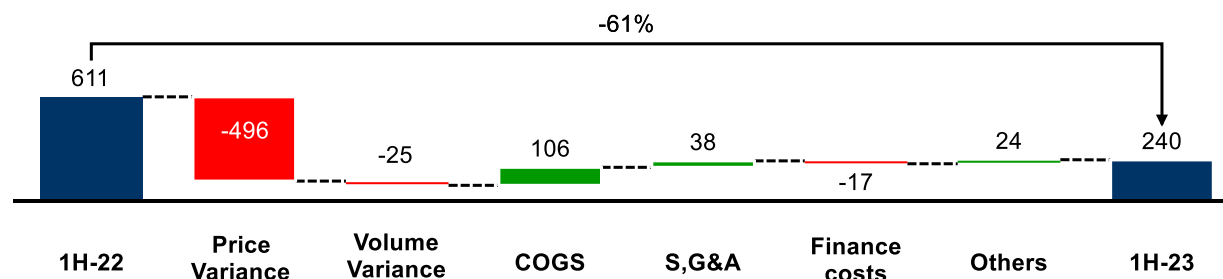
Key financial indicators	1H-23	1H-22	Variance (%)
Production volumes (MT' 000) – 100%	336	330	+2%
Sales volumes (MT' 000) – 100%	317	322	-2%
Realized average selling prices (USD/MT)	2,743	3,591	-24%
Share of JV's revenue (QR' million)	1,585	2,106	-25%
Share of JV's EBITDA (QR' million)	498	883	-44%
Net profit (QR' million)	240	611	-61%
Earnings per share (QR per share)	0.043	0.110	-61%
EBITDA margin (%)	31%	42%	--

QAMCO reported a net profit of QR 240 million for the six-month period ended 30 June 2023, as compared to QR 611 million for the same period of last year, with an earnings per share (EPS) of QR 0.043 versus QR 0.110 for 1H-22.

Share of JV's revenue declined by 25% to reach QR 1,585 million for the current period, as compared to QR 2,106 million for 1H-22. EBITDA declined by 44% and reached QR 498 million in comparison to QR 883 million for the same period of last year. While EBITDA margin for 1H-23 remained at 31% compared to 42% for 1H-22.

**Analysis of QAMCO's net earnings – 1H-23 vs 1H-22**

(Amounts in QR millions)



QAMCO's financial results for the current period versus same period of last year, were largely attributed to an overall decline in average realized selling prices and slightly lower sales volume.

Average realized selling price witnessed a decline of 24% during 1H-23 versus 1H-22 to reach USD 2,743 /MT amid macroeconomic challenges and impacted QR 496 million to the net profit for six-month period ended 30 June 2023 versus the same period of last year.

Production levels slightly inched higher with an increase of 2% was noted in the production volumes for the current period versus 1H-22. However, sales volumes declined by 1% versus 1H-22, due to relatively lower sales of extrusion ingots versus last year. Decline in sales volumes impacted QR 25 million to the net profit for six-month period ended 30 June 2023 versus 1H-22.

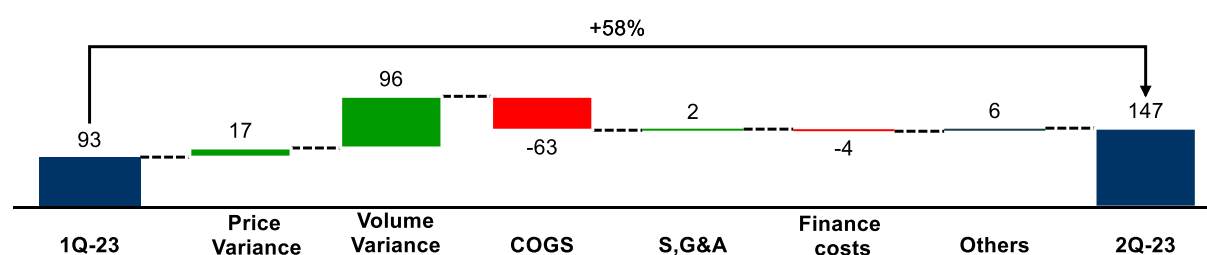
Cost of goods sold for the current six-month period declined mainly on account of lower raw material costs coupled with higher closing inventory, as production volumes remained higher than sales volumes, versus the same period of last year. On overall basis, the decline in cost of goods sold contributed QR 106 million positively to the net profits for the six-month period ended 30 June 2023 versus same period of last year.

#### Financial performance updates – 2Q-23 vs 1Q-23

Key financial indicators	2Q-23	1Q-23	Variance (%)
Production volumes (MT' 000) – 100%	168	168	0%
Sales volumes (MT' 000) – 100%	168	149	+13%
Realized average selling prices (USD/MT)	2,772	2,704	+3%
Share of JV's revenue (QR' million)	849	736	+15%
Share of JV's EBITDA (QR' million)	275	223	+23%
Net profit (QR' million)	147	93	+58%
Earnings per share (QR per share)	0.026	0.017	+58%
EBITDA margin (%)	32%	30%	--

#### Analysis of QAMCO's net earnings - 2Q-23 vs 1Q-23

(Amounts in QR millions)



In comparison to previous quarter, QAMCO's net profits for 2Q-23 inclined by 58%. Key reason behind this positive movement in profitability was mainly due to higher sales volumes coupled with slightly improved selling prices realized during 2Q-23 versus 1Q-23, which inclined by 13% and 3% respectively.

Improvement in sales volumes was mainly attributed to timing of shipments on sequential basis. This increase in sales volumes contributed QR 96 million positively to the bottom-line profitability of 2Q-2023 versus 1Q-23. Selling prices on the other hand inched slightly upwards versus 1Q-23, in line with slight recovery in global aluminum prices and contributed QR 17 million positively to the net earnings of 2Q-23 sequentially.

In line with higher sales volumes, cost of goods sold is higher for 2Q-2023 versus 1Q-23 by QR 63 million with direct positive contribution to uplift EBITDA by QR 52 million for the current quarter.

### Financial performance updates – 2Q-23 vs 2Q-22

Key financial indicators	2Q-23	2Q-22	Variance (%)
Production volumes (MT' 000) – 100%	168	167	+1%
Sales volumes (MT' 000) – 100%	168	164	+2%
Realized average selling prices (USD/MT)	2,772	3,865	-28%
Share of JV's revenue (QR' million)	849	1,156	-27%
Share of JV's EBITDA (QR' million)	275	522	-47%
Net profit (QR' million)	147	371	-60%
Earnings per share (QR per share)	0.026	0.067	-60%
EBITDA margin (%)	32%	45%	--

Compared to 2Q-22, QAMCO profitability decrease by 60% mainly on account of lowered average realized selling price amid macroeconomic challenges witnessed by aluminum market during 2Q-23. On the other hand, sales volume inched by 2% contributing positively to the overall bottom-line profitability.

Overall decline in selling prices led to a negative movement in share of JV's revenue during 2Q-23 which decreased by 28% in comparison to same period of last year.

### Financial position updates

Key performance indicators	As at 30-June-23	As at 31-Dec-22	Variance (%)
Total Assets (QR' million)	6,667	6,926	-4%
Cash and bank balances (QR' million)*	1,781	2,064	-14%
Share of JV's debt (QR' million)	2,207	2,295	-4%

\*Note: Cash and bank balances includes proportionate share of cash and bank balances of the joint venture and excludes restrictive cash balances.

QAMCO's financial position continued to remain robust with the liquidity position at the end of 30 June 2023 reaching QR 1.8 billion in form of cash and bank balances (including proportionate share of cash and bank balances of the joint venture). During the period, QAMCO's JV generated share of operating cash flows of QR 178 million, with a negative share of free cash flows of QR 101 million mainly due to partial loan repayment.

### Operational performance updates

QAMCO's JV continue to maintain high efficiency and cost competitiveness in terms of its production and operations. Health and safety measures continue to remain a priority to ensure reliability of assets, while achieving operational excellence. CAPEX projects were conducted as planned and in line with the operational and reliability requirements.

### Earnings Call

QAMCO will host an IR earnings call with investors to discuss its results for 1H-23, on Wednesday, 16<sup>th</sup> August 2023 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 [qamco@qatarenergy.qa](mailto:qamco@qatarenergy.qa) or [qamco.investorrelations@qatarenergy.qa](mailto:qamco.investorrelations@qatarenergy.qa) or visit [www.qamco.com.qa](http://www.qamco.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. 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