

## **QAMCO posts a net profit of QR 803 million for the nine-month period ended 30 September 2022**

- *QAMCO's share of revenue from the JV amounted to QR 3.02 billion for the nine-month period ended 30 September 2022*
- *QAMCO's share of EBITDA from the JV stood at QR 1.21 billion, with an EBTIDA margin of 40% for 9M-22*
- *Earnings per share amounted to QR 0.144 for the nine-month period ended 30 September 2022*
- *Prices demonstrated volatilities in an uneven macroeconomic environment*
- *Year to date prices remained elevated versus last year, however, realized prices for the JV declined on a quarter-on-quarter basis*
- *QAMCO's closing cash balance (including share of cash in QAMCO's JV) stood at QAR 1.76 billion*
- *Council of Ministers approved increasing the ownership percentage of non-Qatari shareholders in QAMCO up to 100%*

**Doha, Qatar; 24 October 2022:** 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 803 million for the nine-month period ended 30 September 2022, with an earnings per share (EPS) of QR 0.144.

### **Updates on macroeconomic environment**

The macroeconomic environment for the aluminium markets remained volatile throughout this year. Several factors impacted the commodity markets at the macro level, which cascaded to the supply-demand dynamics of aluminium and led to volatilities in prices.

In the start of the year, demand for primary aluminium demonstrated strength across key aluminium intensive sectors, like automobiles (especially electric vehicles), construction, renewable energy, and packaging. However, recently demand for aluminium was impacted by China's strict COVID related lockdowns, coupled with slowdown in the Chinese construction sector. In parallel, higher-than-expected inflation led to monetary tightening by most of the Central Banks, impacting industrial demand for most of the commodities.

On the other hand, exorbitant energy prices in Europe has put most of the European smelters in a challenging situation to maintain capacity. Also, as annual contracts are rolled for Western consumers of metal, trade disengagements from Russia, amid geo-political tensions, creating uncertainty in the commodity markets, with a growing risk of inventory builds.

On an overall basis, aluminium prices demonstrated essentially bullish trends during early parts of 2022, amid constructive demand and supply shortages. However, since the mid-year LME prices softened on account of uncertainties over recessionary fears and limited demand.

#### Financial performance updates – 9M-22 vs 9M-21

Key financial indicators	9M-22	9M-21	Variance (%)
Share of JV's revenue (QR' million)	3,020	2,127	+42%
Share of JV's EBITDA (QR' million)	1,208	918	+32%
Net profit (QR' million)	803	521	+54%
Earnings per share (QR per share)	0.144	0.093	+54%
EBITDA margin (%)	40%	43%	--
Realized average selling prices (USD/MT)	3,489	2,476	+41%

QAMCO recorded a net profit of QR 803 million for 9M-22, as compared to QR 521 million for 9M-21, with earnings per share (EPS) of QR 0.144 for 9M-22 versus QR 0.093 for 9M-21. Share of JV's revenue increased by 42% to reach QR 3,020 million as compared to QR 2,127 million for 9M-21. EBITDA increased by 32% and reached QR 1,208 million for 9M-22 in comparison to QR 918 million for 9M-21.

QAMCO's improved set of financial results for 9M-22 versus 9M-21, were largely attributed to an overall growth in average realized selling prices. Average realized selling price witnessed an increase of 41% during 9M-22 versus 9M-21 to reach USD 3,489 USD/MT, and contributed QR 887 million positively to the net profit for nine-month period ended 30 September 2022 in comparison to the same period of last year.

Production and sales volume levels remained relatively flat during the period versus 9M-21. QAMCO's JV was successful in maximizing production of value-added products (VAP), as minimal sales of standard ingots were made during current period. Higher premiums were realized during 9M-22, mainly linked to better market sentiments prevailed during the first nine months of the year versus last year.

Operating cost for 9M-22 remained higher versus 9M-21, mainly on account higher raw material costs. On overall basis, the increase in operating expenses contributed QR 611 million negatively to the net profits for 9M-22 versus the same period last year.

### Financial performance updates – 3Q-22 vs 2Q-22

Key financial indicators	3Q-22	2Q-22	Variance (%)
Share of JV's revenue (QR' million)	914	1,156	-21%
Share of JV's EBITDA (QR' million)	325	522	-38%
Net profit (QR' million)	192	371	-48%
Earnings per share (QR per share)	0.034	0.067	-48%
EBITDA margin (%)	36%	45%	--
Realized average selling prices (USD/MT)	3,286	3,865	-15%

Compared to 2Q-22, share of JV's revenue decreased by 21%, while QAMCO's net profits declined by 48%. A key contributor towards this decline was the lower selling prices realized during 3Q-22 versus 2Q-22, which decreased by 15% on quarter-on-quarter basis. Decline in selling prices, was mainly linked to macroeconomic headwinds. Also, sales volumes declined by 7%, negatively affecting the overall financial performance on a quarter-on-quarter basis. On overall basis, lower realized selling prices coupled with lower sales volumes led to 21% decline in QAMCO JV's topline for 3Q-22 in comparison to 2Q-22.

### Financial position updates

Key performance indicators	As at 30-Sep-22	As at 31-Dec-21	Variance (%)
Total Assets (QR' million)	6,847	6,446	+6%
Cash and bank balances (QR' million)*	1,763	1,537	+15%
Share of JV's debt (QR' million)	2,294	2,299	-0%

\*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 September 2022 reaching QR 1,763 million in form of cash and bank balances (including proportionate share of cash and bank balances of the joint venture). During 9M-22, QAMCO's JV generated share of operating cash flows of QR 959 million, with a share of free cash flows of QR 779 million.

### 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 requirements. The CAPEX programs will support JV's drive for operational efficiency, while reducing carbon footprints.

### Updates on Foreign ownership limit

In accordance with the proposed amendments to the Articles of Association approved during the Company's Extraordinary General Assembly meeting held in March 2022, the Board of Directors can decide on the foreign ownership limit, as per applicable laws and regulations, and may increase the foreign ownership limit up to 100%. Accordingly, a decision was made by the



Company's Board of Directors at its meeting held in April 2022 to increase the ownership limit for non-Qatari shareholders to 100%.

Pursuant to a decision made by the Council of Ministers in its meeting held on 12 October 2022, it was approved to increase the percentage of ownership of a non-Qatari investor in the Company's capital up to 100%. All necessary measures will be taken in this regard with the relevant authorities.

### **Appointment of Ms. Lolwa Khalil Salat as a member of Board of Directors**

Ms. Lolwa Khalil Salat holds a Bachelor's degree in Finance from Northeastern University, and a Master's degree in Finance from Harvard University. Ms. Salat joined QatarEnergy in 2011, where she progressed through various leadership positions and currently serves as the Manager of Public Relations and Communication Department of QatarEnergy. Prior to her current role, Ms. Salat served as Assistant Manager of Financial Reporting within the Privatized Companies Affairs Department and has extensive knowledge and experience in managing listed companies. Ms. Salat was a key team member at the time of the IPO process for several listed companies. In addition, Ms. Salat currently serves as a Board member in Amwaj Catering Services Company.

QAMCO would like to thank Mr. Mohammed Jaber Al-Sulaiti, for serving QAMCO as its Board member since its incorporation and would also like to take this opportunity to wish Ms. Lolwa Khalil Salat, the best of success in her new position.

### **Earnings Call**

QAMCO will host an IR earnings call with investors to discuss its 9M-22 results, business outlook and other matters, on Monday, 31<sup>st</sup> October 2022 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@qatarenergy.qa](mailto:gamco@qatarenergy.qa) or [gamco.investorrelations@qatarenergy.qa](mailto:gamco.investorrelations@qatarenergy.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.

This press release may contain forward-looking statements concerning the financial condition, results of operations and businesses of Qatar Aluminium Manufacturing Company Q.P.S.C. All statements other than statements of historical fact are deemed to be forward-looking statements, being statements of future expectations that are based on current expectations and assumptions, and involve known and unknown risks and uncertainties that could cause actual results, operations and business performance or events impacting the Company to differ materially from those expressed or as may be inferred from these statements.

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