

FOR IMMEDIATE RELEASE

## **QAMCO posts net profit of QR 60.6 million for the ten-month period ended 30 September 2019**

- *EBITDA of QR 543.1 million and earnings per share of QR 0.011*
- *Sales volume remained stable although the global aluminium prices remained highly volatile*
- *Improved operational efficiency with global partnerships and competitive input costs*
- *QAMCO's share of total assets in the JV stood at QR 7.8 billion*

**Doha, Qatar; October 23, 2019:** Qatar Aluminium Manufacturing Company Q.P.S.C. (QAMCO; QE: QAMC), a 50% shareholder in Qatar Aluminium Limited ("Qatalum"), a successful joint venture that produces aluminium products and operates aluminium smelters in the region, today announced its financial results for the ten-month period ended 30 September 2019.

Commenting on the financial and operational highlights, **Mr. Abdulrahman Ahmad Al-Shaibi, Chairman of the Board of Directors, QAMCO**, said: *"The broader macro-economic environment remains volatile but the Company yet again demonstrated its ability to deliver continued performance. The management has been instrumental in rolling out a number of cost conservation measures in a bid to withstand the economic headwinds, whilst ensuring that the Company remain well placed to maximize value for its shareholders.*

*Some of the specific initiatives include cost and supply chain optimization, revenue enhancements, efficiency improvements and capital allocation. The adaptation to market forces will allow for more flexibility and better position the Company for long-term future growth and maintain its market standing as one of the world's lowest cost aluminium smelters."*

### **Financial and operational highlights – YTD 2019 and Q3 2019**

During the ten-month period, QAMCO reported a net profit of QR 60.6 million while the earnings per share (EPS) stood at QR 0.011 (after the split of QAMCO's shares). This is a testament to the JV's relentless focus on efficient operations and competitive input costs, supported by close proximity within key strategic markets.

As a result of strong operational performance in the 10-month period, QAMCO reported an EBITDA of QR 543.1 million, despite challenging macro-economic conditions and a highly volatile environment for global aluminium prices.

As products and the raw materials used in the production process are highly correlated to the global aluminium prices, the bearish nature of the aluminium industry had an impact on QAMCO's share of earnings. The cyclical nature of the aluminium industry, combined with a supply-demand imbalance, led to a drop in the realized selling prices.

Despite a sluggish operating environment, led by declining aluminium prices, the sales volume remained stable with a marginal increase, primarily benefiting from the Company's global marketing partnership which provide access to strategically important markets while competing with international players. During the third quarter, the JV reported increased sales volumes although selling prices continued to decline, offsetting the impact of better raw material pricing and import costs.

QAMCO's share of total assets of Qatalum as at 30 September 2019 stood at QR 7.8 billion, with its share of cash and bank balances amounting to QR 280.3 million. QAMCO's share of net assets stood at QR 4.8 billion as at 30 September 2019.

As at 30 September 2019, QAMCO's closing unrestricted cash and bank balance stood at QR 79.0 million after distribution of interim dividends to its shareholders amounting to QR 111.6 million (QR 0.02 per share) on 5 May 2019.

### **Earnings Call**

QAMCO will host an IR Earnings call of its third quarter earnings with investors to discuss its results, business outlook and other matters on Wednesday, October 30, 2019 at 1:30 p.m. Doha Time. The IR presentation that accompany the conference call will be posted on the publications page of 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@qp.com.qa](mailto:qamco@qp.com.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.

This report 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 consists 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 billions and percentages have been rounded to 1 decimal point. 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 • **DRI:** Direct Reduced Iron • **EBITDA:** Earnings Before Interest, Tax, Depreciation and Amortisation calculated as (Net Profit + Interest Expense + Depreciation + Amortisation) • **EPS:** Earnings per Share (Net Profit / Number of Ordinary Shares outstanding at the year-end) • **Free Cash Flow:** Cash Flow From Operations - Total CAPEX • **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