

QAMCO posts a net profit of QR 611 million for the six-month period ended 30 June 2022

- *QAMCO posted highest half-yearly net profit since incorporation, benefitting from constructive macroeconomic drivers*
- *QAMCO JV's maximized sales of value-added products (VAP) supporting profitability margins*
- *QAMCO's share of revenue from the JV amounted to QR 2.11 billion for the six-month period ended 30 June 2022*
- *QAMCO's share of EBITDA from the JV stood at QR 883 million, with an EBITDA margin of 42% for 1H-22*
- *Earnings per share amounted to QR 0.11 for the six-month period ended 30 June 2022*
- *QAMCO's closing cash balance (including share of cash in QAMCO's JV) stood at QAR 1.3 billion*

Doha, Qatar; 7 August 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 611 million for the six-month period ended 30 June 2022, with an earnings per share (EPS) of QR 0.11.

Updates on macroeconomic environment

Macroeconomic environment remained uneven during the first half of 2022, where demand for primary aluminium continue to remain firm across key aluminium intensive sectors like automobiles (especially electric vehicles), construction, renewable energy and packaging. However, China's recent COVID-linked lockdowns has impacted demand for aluminium in the short-term.

On the other hand, supply remained in deficit, given exorbitant energy prices which challenged smelting capacities and led to widening of inventory deficits. Trade disengagement from Russia amid geo-political tensions, also created uncertainty in the commodity markets.

On an overall basis, aluminium prices demonstrated essentially bullish trends during 1Q-22 amid persistent constructive demand and supply shortages. However, during Q2-22, LME prices softened on account of uncertainties over recessionary fears and limited demand.

Financial performance updates – 1H-22 vs 1H-21

Key financial indicators	1H-22	1H-21	Variance (%)
Share of JV's revenue (QR' million)	2,106	1,353	+56%
Share of JV's EBITDA (QR' million)	883	558	+58%
Net profit (QR' million)	611	288	+112%
Earnings per share (QR per share)	0.11	0.052	+112%
EBITDA margin (%)	42%	41%	--

QAMCO recorded a net profit of QR 611 million for 1H-22, as compared to QR 288 million for 1H-21, with earnings per share (EPS) of QR 0.11 for 1H-22 versus QR 0.052 for 1H-21. Share of JV's revenue increased by 56% to reach QR 2,106 million as compared to QR 1,353 million for 1H-21. EBITDA increased by 58% and reached QR 883 million for 1H-22 in comparison to QR 558 million for 1H-21.

QAMCO's improved financial results for 1H-22 versus 1H-21, were largely attributed to an overall growth in average realized selling prices in comparison to 1H-21. Average realized selling price witnessed an increase by 54% during 1H-22 versus 1H-21 and contributed QR 738 million positively to the net profit for six-month period ended 30 June 2022 as compared to the same period last year.

Production and sales volume levels marginally increased by 1% during the period versus 1H-21. QAMCO's JV was successful maximizing production of value-added products (VAP) with minimal sales of standard ingots were made during current period. Higher premiums were realized during 1H-22, mainly linked to better market sentiments prevailed during the first six months of the year.

Operating cost for 1H-22 remained higher versus 1H-21, mainly on account higher raw material costs, partially offset by favorable inventory movements. On overall basis, the increase in operating cost contributed QR 379 million negatively to the net profits for 1H-22 versus 1H-21. Due to the overall increase in interest rates globally, JV's finance costs for 1H-22 also increased by 12% versus 1H-21 and contributed QR 4 million negatively to QAMCO's net earnings.

Financial performance updates – 2Q-22 vs 1Q-22

Key financial indicators	2Q-22	1Q-22	Variance (%)
Share of JV's revenue (QR' million)	1,156	950	+22%
Share of JV's EBITDA (QR' million)	522	361	+19%
Net profit (QR' million)	371	240	+55%
Earnings per share (QR per share)	0.067	0.043	+55%
EBITDA margin (%)	45%	38%	--

Compared to 1Q-22, share of JV's revenue increased by 22%, while QAMCO's net profits improved by 55%. A key contributor towards this growth was the higher selling prices realized during 2Q-22 versus 1Q-22, which increased by 17% on quarter-on-quarter basis. Also, sales volume increased by 4%, positively affecting the overall financial performance on a quarter-on-quarter basis. On overall basis, higher realized selling prices and increased sales volumes led to 22% growth in QAMCO JV's topline for 2Q-22 in comparison to 1Q-22.

Financial position updates

Key performance indicators	As at 30-Jun-22	As at 31-Dec-21	Variance (%)
Total Assets (QR' million)	6,620	6,446	+3%
Cash and cash equivalents (QR' million)*	1,332	1,537	-13%
Share of JV's debt (QR' million)	2,293	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 June 2022 reaching QR 1,332 million in form of cash and bank balances (including proportionate share of cash and bank balances of the joint venture). During 1H-22, QAMCO's JV generated share of operating cash flows of QR 451 million, with a share of free cash flows of QR 307 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. These CAPEX programs will support JV's drive for operational efficiency, while reducing carbon footprints.

Earnings Call

QAMCO will host an IR earnings call with investors to discuss its 1H-22 results, business outlook and other matters, on Monday, 8th August 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 qamco@qatarenergy.qa or qamco.investorrelations@qatarenergy.qa or visit 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. 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