

## **QAMCO posts a net profit of QR 288 million for the six-month period ended 30 June 2021**

- *QAMCO posted the highest half-yearly net profit since incorporation, on the back of improved global aluminum prices, linked to macro-economic recovery and supply constraints*
- *QAMCO JV's shift of product mix to 100% of value-added products (VAP) supported margins*
- *QAMCO's share of revenue from the JV amounted to QR 1,353 million for the six-month period ended 30 June 2021*
- *QAMCO's share of EBITDA from the JV stood at QR 558 million, with an EBITDA margin of 41% for 1H-21*
- *Earnings per share amounted to QR 0.052 for the six-month period ended 30 June 2021*
- *QAMCO's closing cash balance (including share of cash in QAMCO's JV) stood at QAR 812 million*

**Doha, Qatar; 5 August 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 288 million for the six-month period ended 30 June 2021, with an earnings per share (EPS) of QR 0.052.

Commenting on the financial and operational performance for the six-month period ended 30 June 2021, **Mr. Abdulrahman Ahmad Al-Shaibi, Chairman of the Board of Directors, QAMCO**, said:

*"We benefitted from a strong sequential macroeconomic recovery coupled with supply constraints, which translated into healthier demand for our premium products, resulting in an improved set of financial results, since QAMCO's incorporation. While macro-conditions remained buoyant, we continued to rely on our core business values, flexibility of operations, supported by efficient supply chain and persistent cost optimization efforts. Going forward, our competitive advantages coupled with our operational excellence, would position us better for our long-term goals."*

### Updates on macroeconomic environment

Prices of aluminium, continue to climb on the back of renewed global demand, whereby sectors such as construction and automotive industries witnessed growth, as the global economies started to show signs of recovery since later part of 2020. With 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. Furthermore, global climate initiatives are also providing structural support to aluminum markets, given its major role in decarbonization and playing a key part in creating supply deficits. All of these factors translated into a sequential growth in prices of primary aluminium along with improved margins.

### Financial performance updates

Key financial indicators	1H-21	1H-20	Variance (%)
Share of JV's revenue (QR' million)	1,353	1,121	+21%
Share of JV's EBITDA (QR' million)	558	313	+78%
Net profit (QR' million)	288	15	+1,870%
EBITDA margin (%)	41.2%	27.9%	--

QAMCO recorded a net profit of QR 288 million for 1H-21, as compared to QR 15 million for 1H-20, with earnings per share (EPS) of QR 0.052 for 1H-21 versus QR 0.003 for 1H-20. Share of JV's revenue increased by 21% to reach QR 1,353 million as compared to QR 1,121 million for 1H-20. EBITDA increased by 78% and reached QR 558 million for 1H-21 in comparison to QR 313 million for 1H-20.

QAMCO's improved financial results for 1H-21 versus 1H-20, were largely attributed to an overall growth in average realized selling prices in comparison to 1H-20 results. Average realized selling price witnessed an increase by 26% in 1H-21 versus 1H-20 and contributed QR 292 million positively to the net profit for six-month period ended 30 June 2021, as compared to the same period last year.

Production levels increased by 1% during the period compared to 1H-20, while sales volumes slightly declined by 4% and contributed QR 61 million negatively to net earnings for 1H-21 versus 1H-20. Although sales volumes were slightly lower than last year, but QAMCO's JV was successful in selling 100% of value-added products (VAP), and no sales of standard ingots were made during current year. The shift from sales of standard ingots to VAP supported the positive trajectory of EBITDA margins.

Cost of goods sold for 1H-21 remained low versus 1H-20, mainly on account lowered manpower cost and favorable inventory movements, partially offset by higher raw material costs. On overall basis, the decline in cost of goods sold contributed QR 22 million positively to QAMCO's net profits for 1H-21 versus 1H-20.

Moreover, due to the overall decline in interest rates and one-off unamortized portion of financing cost being written-off last year, JV's finance costs for 1H-21 declined by 44% versus 1H-20 and contributed QR 28 million positively to QAMCO's net earnings for 1H-21 in comparison to 1H-20.

### Financial position updates

Key performance indicators	As at 30-Jun-21	As at 31-Dec-20	Variance (%)
Total Assets (QR' million)	5,912	5,797	+2%
Cash and cash bank balances (QR' million)	812	740	+10%
Share of JV's debt (QR' million)	2,270	2,221	+2%

QAMCO's financial position continued to remain robust with the liquidity position at the end of 30 June 2021 reaching QR 812 million in form of cash and bank balances (including proportionate share of cash and bank balances of the joint venture). During 1H-21, QAMCO's JV generated share of operating cash flows of QR 393 million, with a share of free cash flows of QR 276 million.

### Operational performance updates

QAMCO's JV continues to maintain efficiency and cost competitiveness in terms of its production and operations. On HSE, key focus for QAMCO's JV has remained on employee's safety, wherein, zero incidents were reported during 1H-21. During the period, QAMCO's JV signed an agreement to generate more sustainable and secure power, which is expected to enhance JV's power output while improving plant efficiency and reducing carbon emissions.

QAMCO's JV is conducting its CAPEX projects as per the planned schedule for the year, and in line with the operational requirements. These CAPEX programs will support QAMCO's JV's drive for operational efficiency and reduce carbon footprints.

QAMCO's JV continued efforts to manage its controllable cost via optimization program. Until 1H-21, the JV's realized cost savings were in excess of expectations, via higher throughput and lowered operating cost expenditures, which reflected positively on JV's operating cost base, while keeping the JV on the lower side of the cost curve among global peers.

### Earnings Call

QAMCO will host an IR earnings call with investors to discuss its 1H-21 results, business outlook and other matters, on Wednesday, 11<sup>th</sup> August 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@gp.com.qa](mailto:gamco@gp.com.qa) or [gamco.investorrelations@gp.com.qa](mailto:gamco.investorrelations@gp.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