



QAMCO

شركة قطر لصناعة الألمنيوم
Qatar Aluminium Manufacturing Company

Qatar Aluminium Manufacturing Company Investor Relations Presentation

30 September 2024

Disclaimer

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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. 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 • 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



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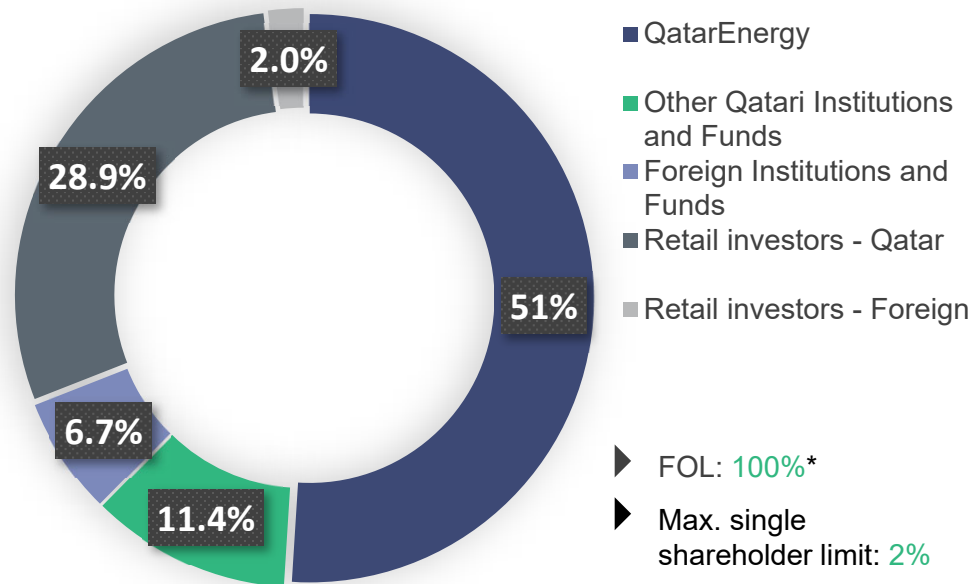
QAMCO at a Glance

QAMCO at a Glance

Overview

- Qatar Aluminium Manufacturing Company Q.P.S.C (QAMCO) was incorporated on December 3, 2018 and listed on Qatar Stock Exchange on December 16, 2018.
- The Company holds 50% share of Qatar Aluminium Limited Q.S.C (Qatalum).
- QatarEnergy provides all of the head office functions for QAMCO through a comprehensive service-level agreement.
- The operations of Qatalum remain independently managed by its Board of Directors and senior management team.

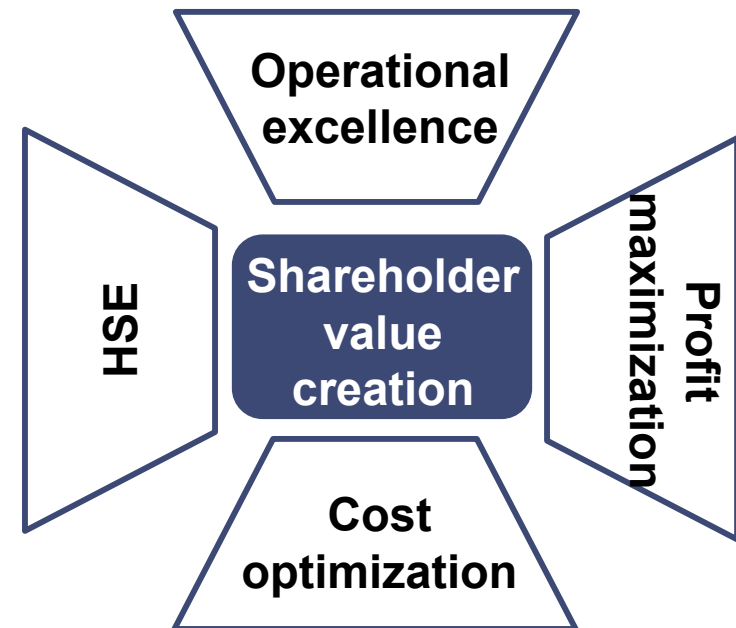
QAMCO's shareholding structure

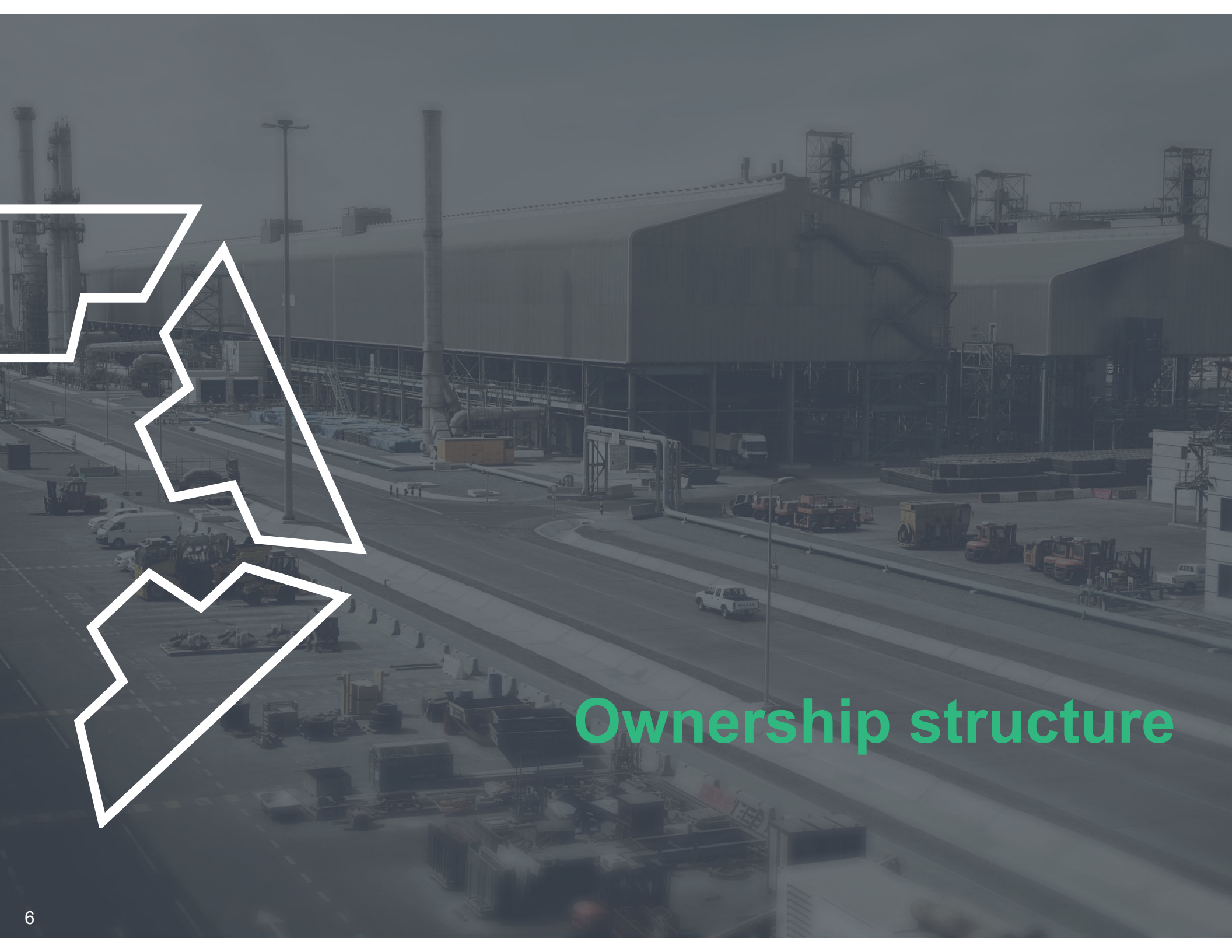


Note: Shareholder data as of 30-Sept-24

* Board of Directors approved to increase the FOL to 100%. Council of Ministers approval received; all necessary measures will be taken in this regard with the relevant concerned authorities.

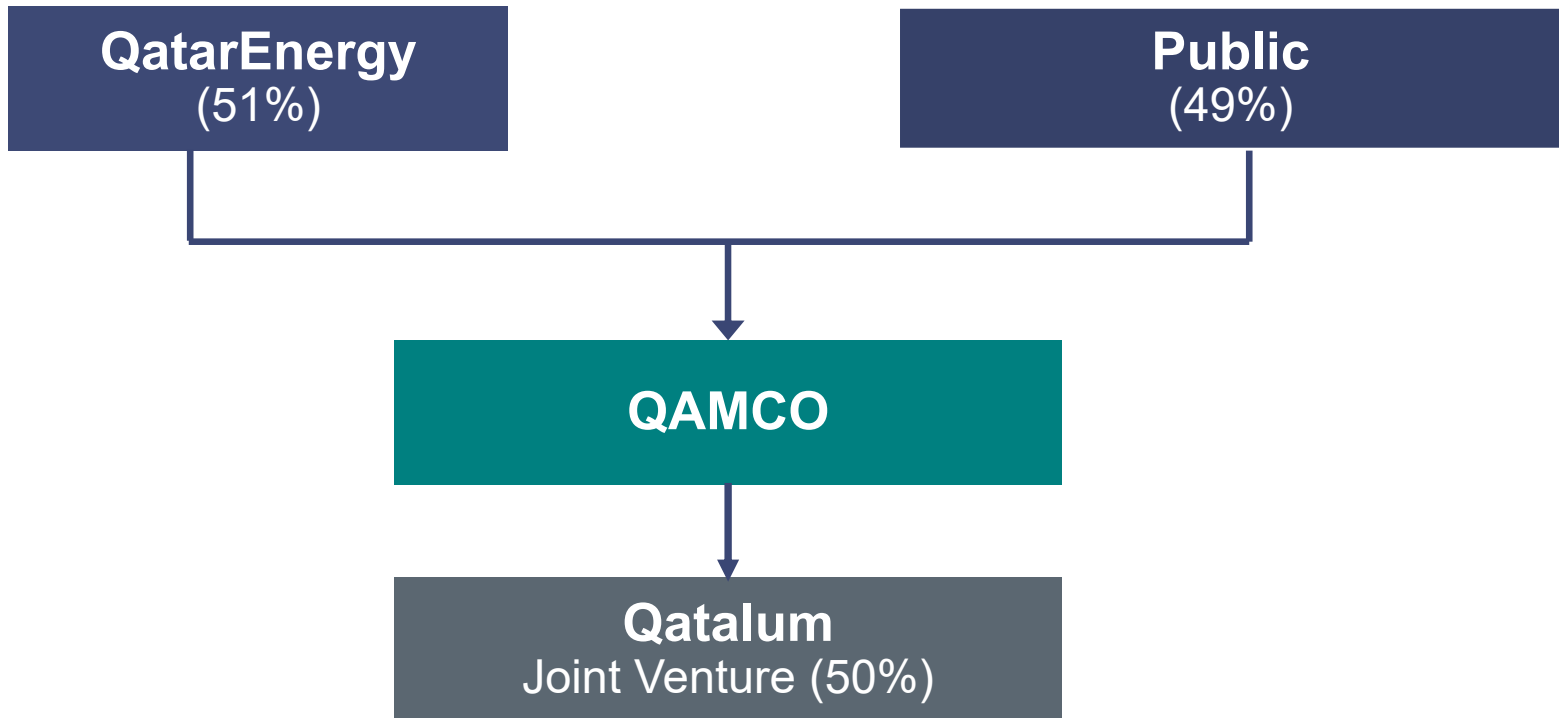
Core values





Ownership structure

Ownership Structure



QAMCO holds 50% share of Qatar Aluminium Limited (“Qatalum” or “QAMCO JV” or “JV”) as a joint venture shareholder, which produces high-quality aluminium of more than 650,000 tons per year (“tpy”) for customers in Asia, Europe and North America. QAMCO JV facilities include a carbon plant, a reduction plant, a cast house, port and storage facilities as well as a captive gas-fired power plant.





Operations of Joint Venture

QAMCO's Joint Venture

- Qatar Aluminium (Qatalum) is located in Qatar, the company benefits from access to one of the world's largest and most competitively priced sources of energy which allows it to maintain one of the industry's most competitive profit margins and strong cash flow generation.
- Qatar Aluminium (Qatalum) has a design nameplate capacity of 575,000 tpy, but now produces more than 650,000 tpy of high-quality primary aluminium products, including standard ingots and Casthouse value-added products comprising extrusion ingots or billets (capacity of 375,000 tpy) and primary foundry alloys (capacity of 275,000 tpy).
- Qatar Aluminium (Qatalum) has a captive Power Plant (with a capacity of approximately 1,350 MW).



QAMCO's Joint Venture

Sales and Marketing:

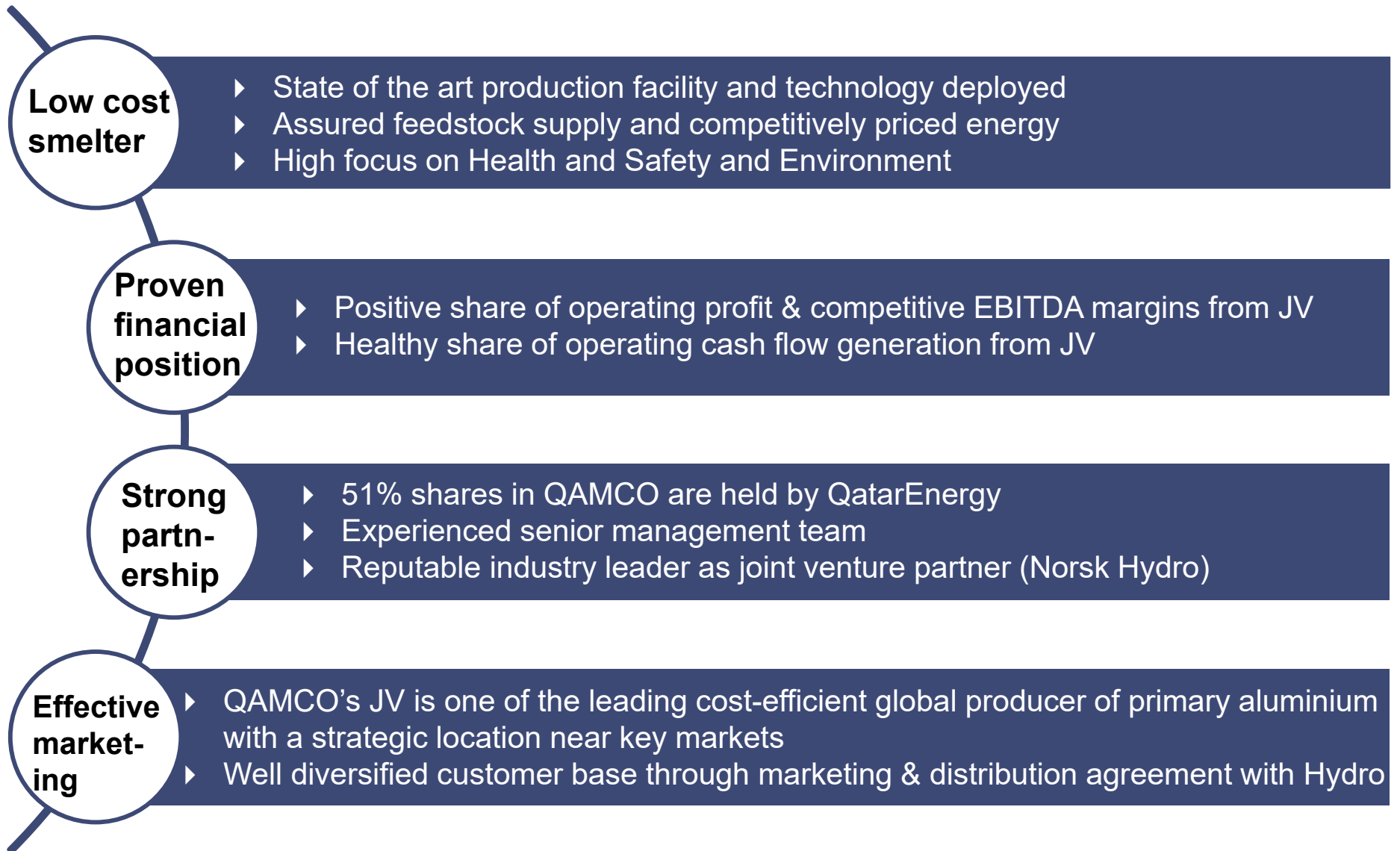
- With a Marketing and Offtake Agreement, Hydro Aluminium is responsible for the offtake and marketing of 100% of Qatar Aluminium products. The Marketing and Offtake Agreement gives Qatar Aluminium (Qatalum) access to Hydro Aluminium's worldwide sales network on no less favourable treatment than other Hydro Aluminium smelters
- Qatar Aluminium (Qatalum) acts as Hydro Aluminium's representative for marketing aluminium products in Qatar.





Competitive strengths

Competitive Strengths

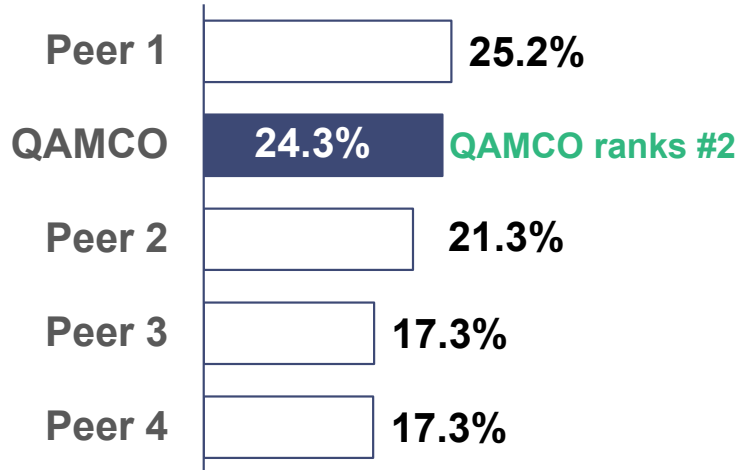




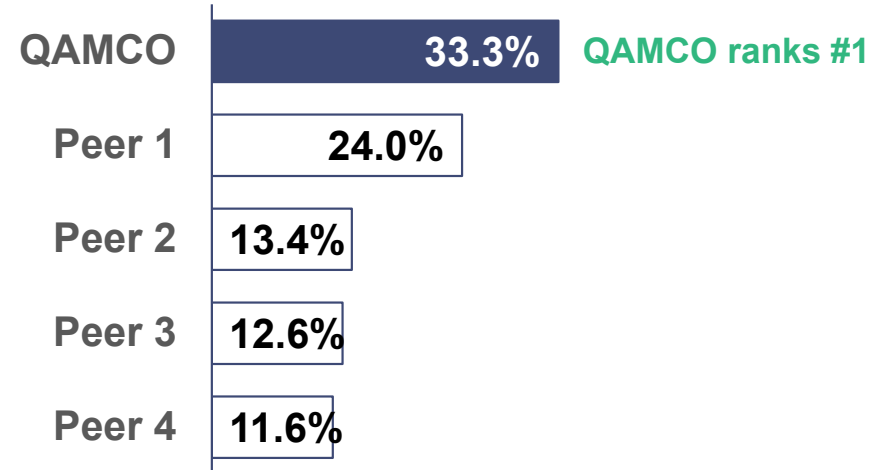
Peer review

QAMCO's Competitive Positioning versus Global Peers

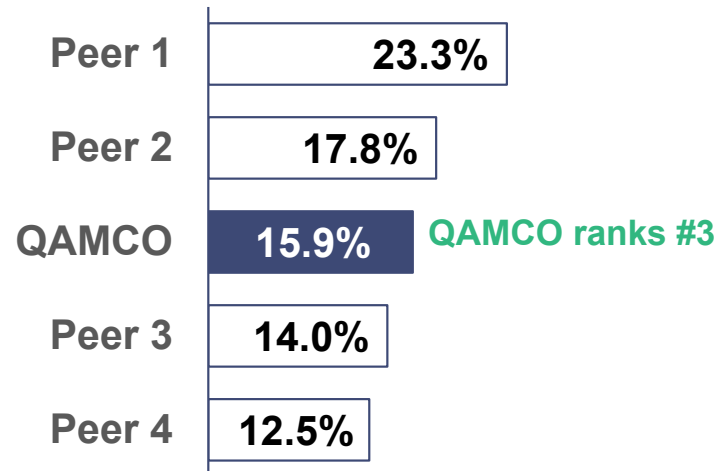
Gross profit margin (%)



EBITDA margin (%)



Net profit margin (%)



Note: Data as of 30/06/2024 where applicable





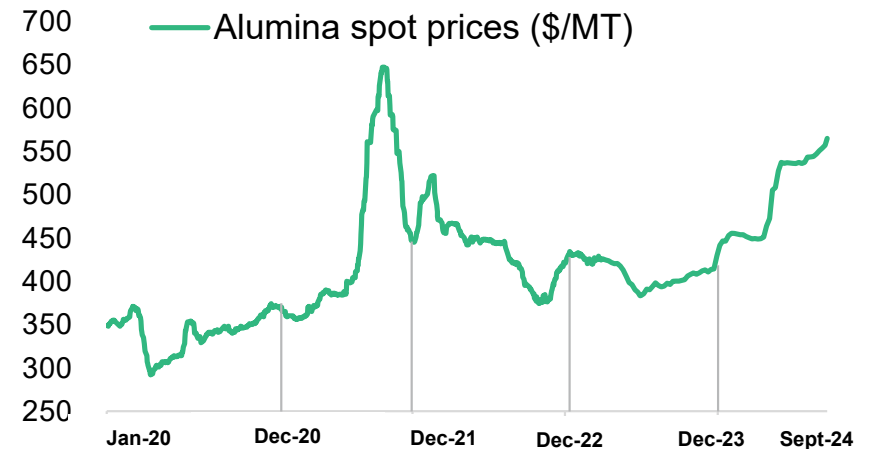
Macroeconomic updates

Macroeconomic Updates

Aluminium prices (\$/MT)




Alumina prices (\$/MT)



- Global aluminium industry has shown resilience, with prices strengthening in recent months, on the back of improved macro economic conditions partly driven by gradual demand recovery, stemming from electric vehicles, solar power and construction sectors.
- Nevertheless, Aluminium industry continues to face challenges influenced by factors including:
 - Slow demand in building and construction sectors in some regions utilizing aluminium as input;
 - Despite the recent reduction in interest rates in September, monetary tightening by most of the Central Banks continue to weigh on industrial demand for most of the commodities
 - Global growth projections and relatively weaker consumer demand, despite easing of interest rates and inflation in the recent months;
 - Widening geo-political tensions in the region.





QAMCO results
(For the nine-month period
ended 30 September 2024)

9M-24 Results - At a Glance

vs. 9M-23

Revenue  -2%
QR 2,380 million

EBITDA  +9%
QR 809 million

Net profit  +21%
QR 428 million

Cost per ton  -6%
QR 8,448*

EBITDA Margin  vs. 30%
34%

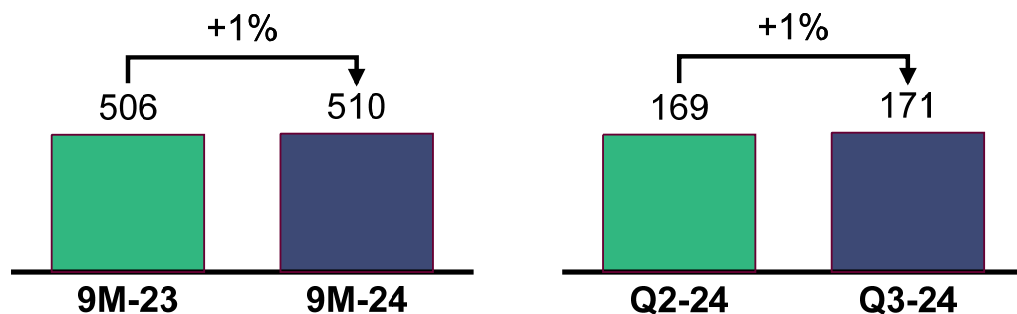
EPS  vs. QR 0.063
QR 0.077

- Average aluminium prices declined compared to the previous year amid macroeconomic headwinds. However, prices have improved on Quarter over Quarter.



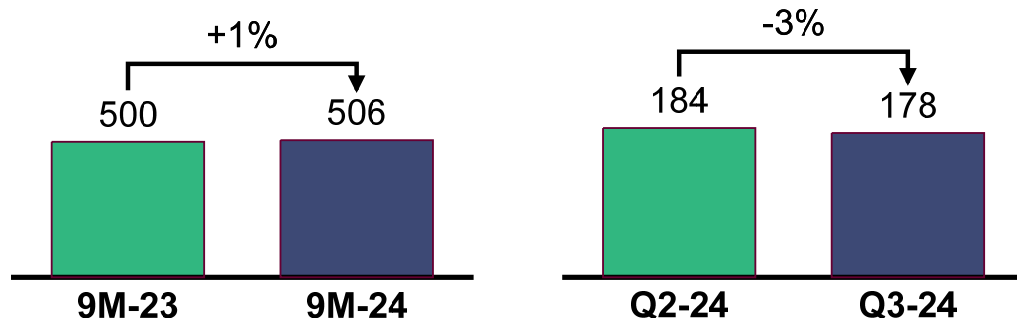
Operational Performance Review

Production (MT' 000) – 100%



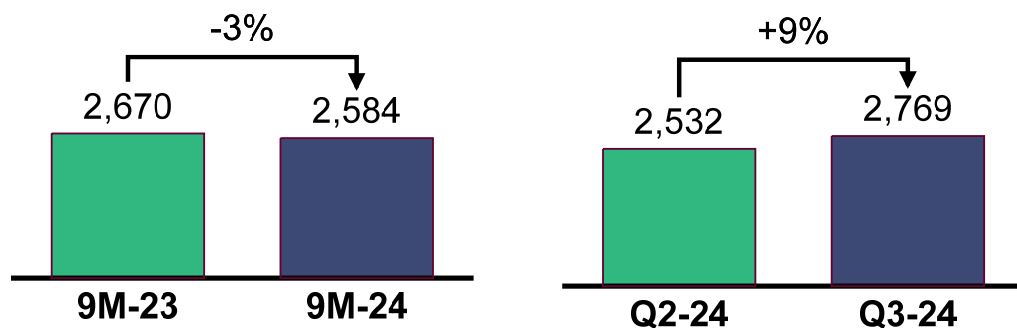
- 9M-24 vs 9M-23: Production volumes marginally inched higher compared to last year, due to higher amperage.
- 3Q-24 vs 2Q-24: production volumes marginally up compared to the previous quarter.

Sales volumes (MT' 000) – 100%



- 9M-24 vs 9M-23 : Sales volumes increased slightly compared to last year mainly due to improved demand for both Foundry Alloys “FA” and Extrusion Ingots “EI”.
- 3Q-24 vs 2Q-24: Sales volumes declined compared to 2Q-24, mainly due to inco-term.

Selling prices (\$/MT)

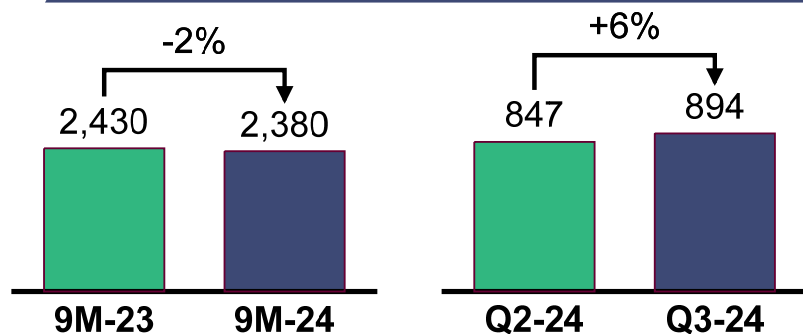


- 9M-24 vs 9M-23: On overall basis, Avg selling prices slightly declined on account of subdued global demand in 9M-2024.
- 3Q-24 vs 2Q-24 : However, average selling prices have increased compared to 2Q-23, mainly linked to better market sentiments prevailed during the 3rd quarter, which resulted in increase in realized premiums and LME.



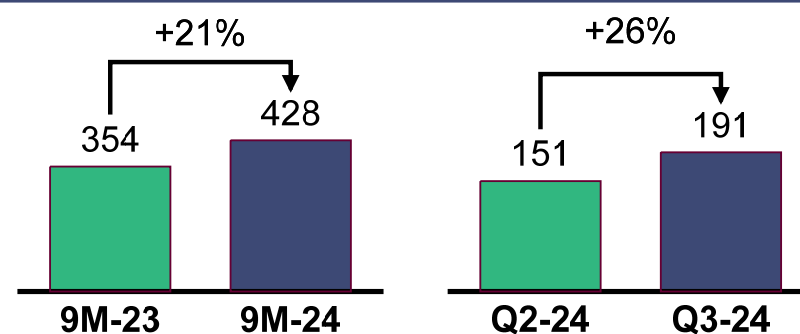
Financial Performance Review

Share of Revenue (QR million)



- 9M-24 vs 9M-23: Share of JV's revenue marginally declined, mainly due to lower avg realized selling price which was partially offset by slight increase in sales volume.
- 3Q-24 vs 2Q-24: Share of JV's revenue increased mainly on account of higher selling prices realized in 3Q-24, partially offset by decline in sales volume.

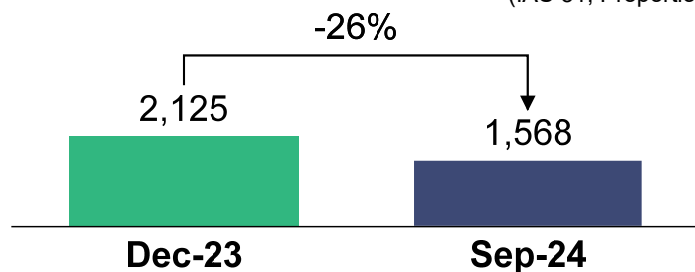
Net Profit (QR million)



- 9M-24 vs 9M-23: Profitability improved due to a combination of factors: relatively lower production costs, reduced selling & distribution expenses, SG&A expenses, and favorable inventory changes. These positive effects were partially offset by lower revenue.
- 3Q-24 vs 2Q-24: Net profits increased, primarily driven by higher average selling prices, partially offset by lower sales volumes.

Share of JV's Total Debt (QR million)

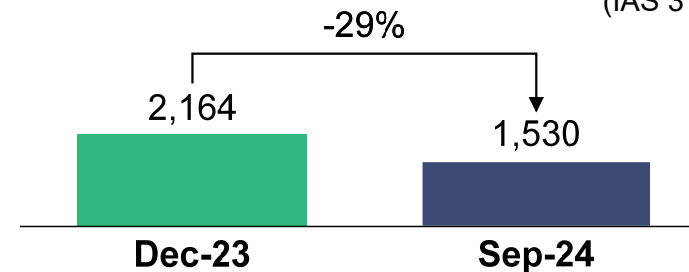
(IAS 31, Proportionate)



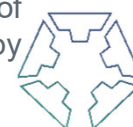
The share of debt as of 30 September 2024 significantly reduced compared to 31 December 2023, mainly due to a prepayment of approximately QR 491 million (QAMCO share) made in September 2024 under the existing QAMCO JV loan.

Closing Cash (QR million)

(IAS 31)

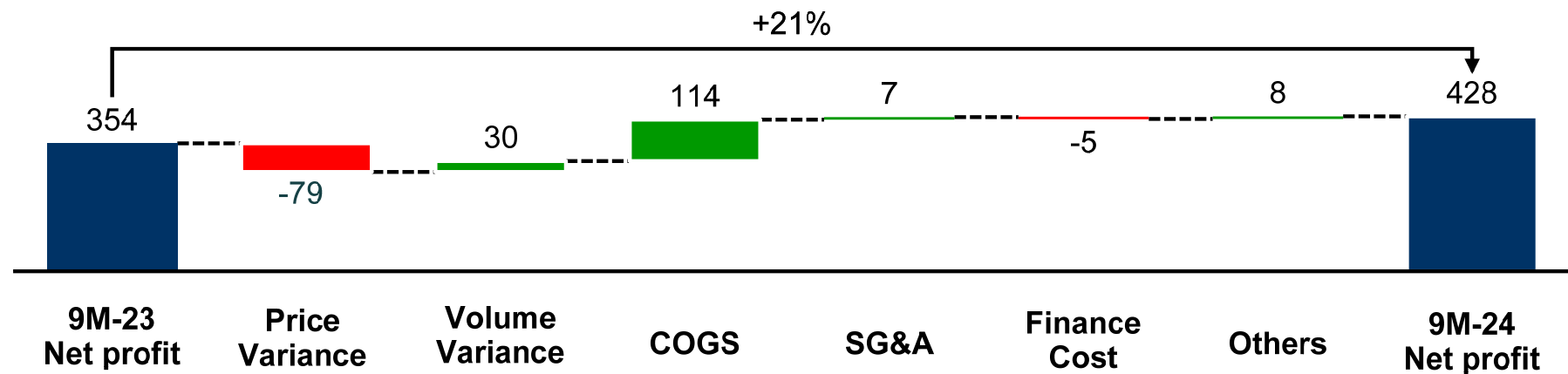


Closing cash, including QAMCO's share of cash in the JV, as of 30 September 2024 declined compared to December 2023. This decrease was primarily due to the settlement of the interim dividend for 1H-24 and the prepayment made by QAMCO's JV under the existing loan agreement.



Net Profit Variance Analysis : 9M-24 vs 9M-23

(Amounts in QR' million)



QAMCO reported a robust increase in net profit compared to the same period of last year.

Results were impacted by JV's performance mainly due to:

▶ **Unfavorable movements**

- Lower average realized prices, mainly arising from reduced premiums;
- Higher finance cost due to increased floating lending rates, linked to overall hike in global interest rates.

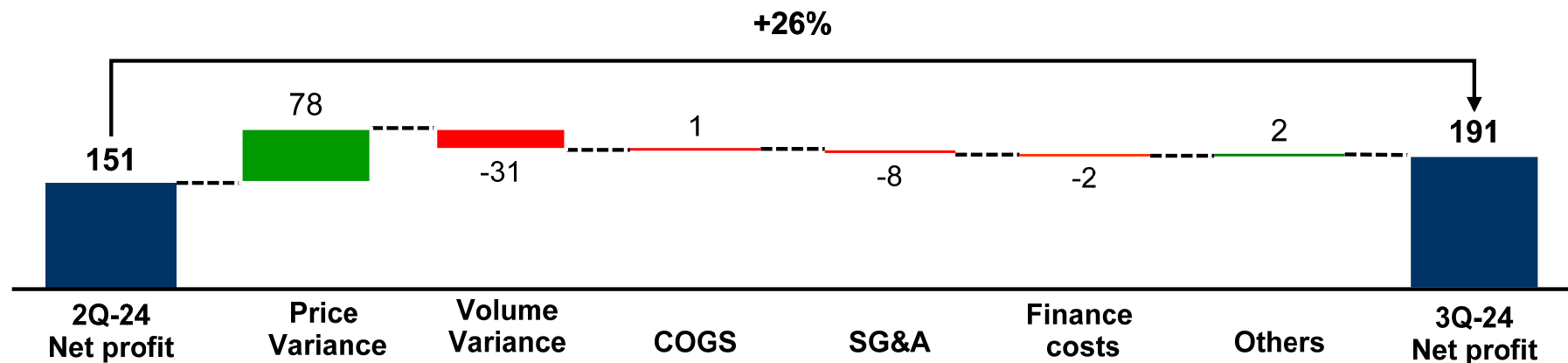
▶ **Favorable movements**

- Lower cost of goods sold, mainly on account of relatively lower raw material costs and favorable inventory movements;
- Higher sales volumes.
- Lower selling & distribution cost on account of lower marketing fee and logistics;
- Higher Head Office finance income.



Net Profit Variance Analysis : 3Q-24 vs 2Q-24

(Amounts in QR' million)



QAMCO reported a robust increase in net profit compared to the previous quarter.

Results were impacted by JV's performance mainly due to:

▶ **Favorable movements**

- Higher average realized prices.
- COGS remained almost flat with some savings compared to previous quarter
- Higher head office income (included in "Others").

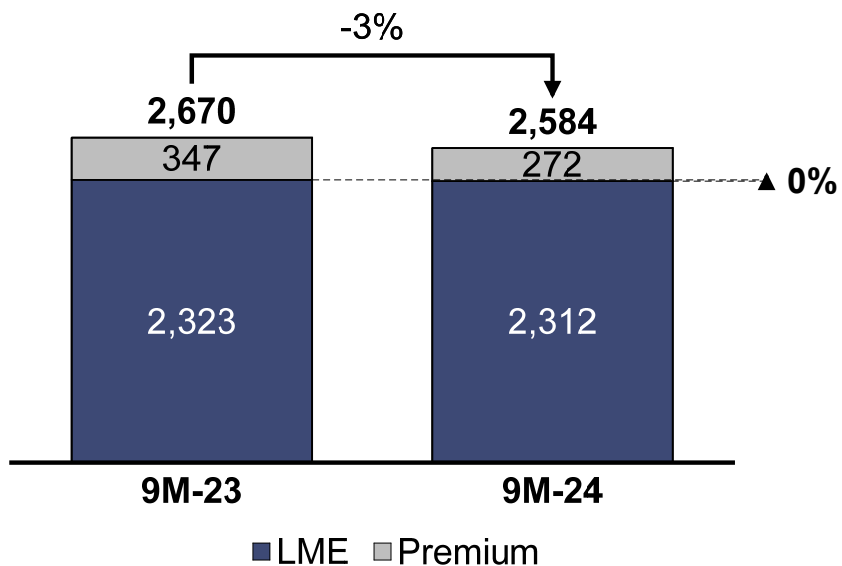
▶ **Unfavorable movements**

- Lower sales volume on account of lower extrusion ingot demand which was substituted by standard ingot and inco-terms.



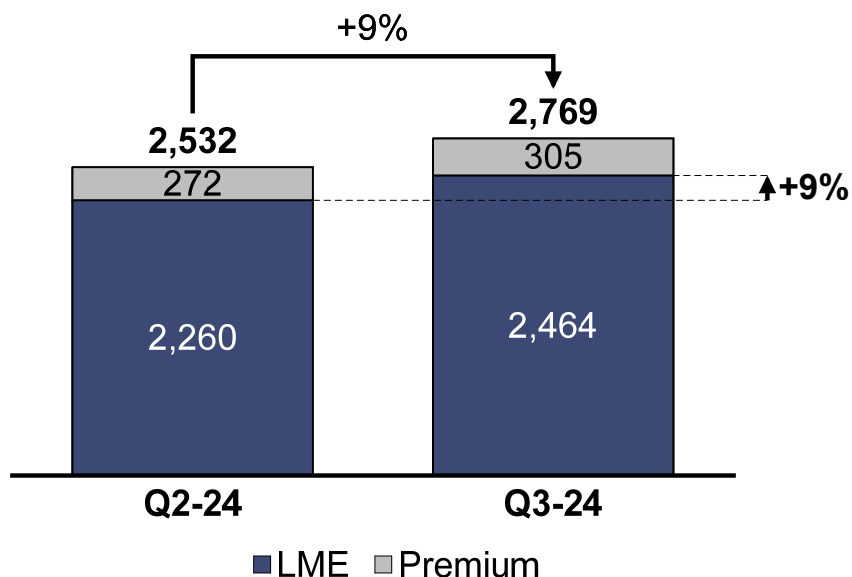
Analysis of Average Selling Prices

Selling prices (\$/MT) – 9M-24 vs 9M-23

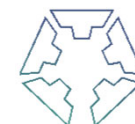


- YoY: Average selling prices marginally declined compared to 9M-23 due to persistent macroeconomic headwinds affecting LME prices and Premiums.
- LME Premiums declined mainly due to a negative macroeconomic environment weighing on the global aluminium markets.

Selling prices (\$/MT) – 3Q-24 vs 2Q-24

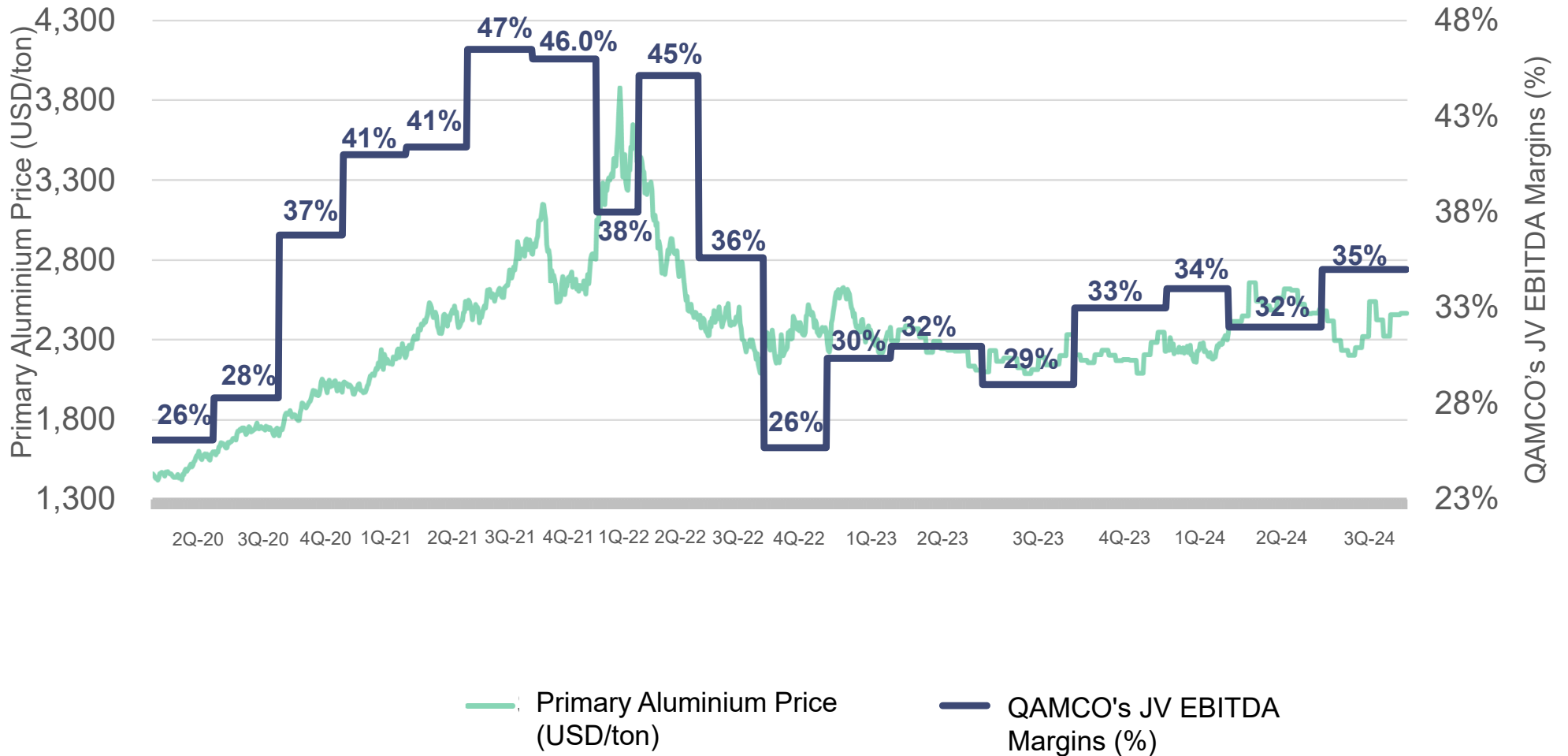


- QoQ: Average selling prices increased compared to the previous quarter largely owing to increase in LME and realized premiums.
- LME premiums increased mainly owing to an improved macroeconomic environment.



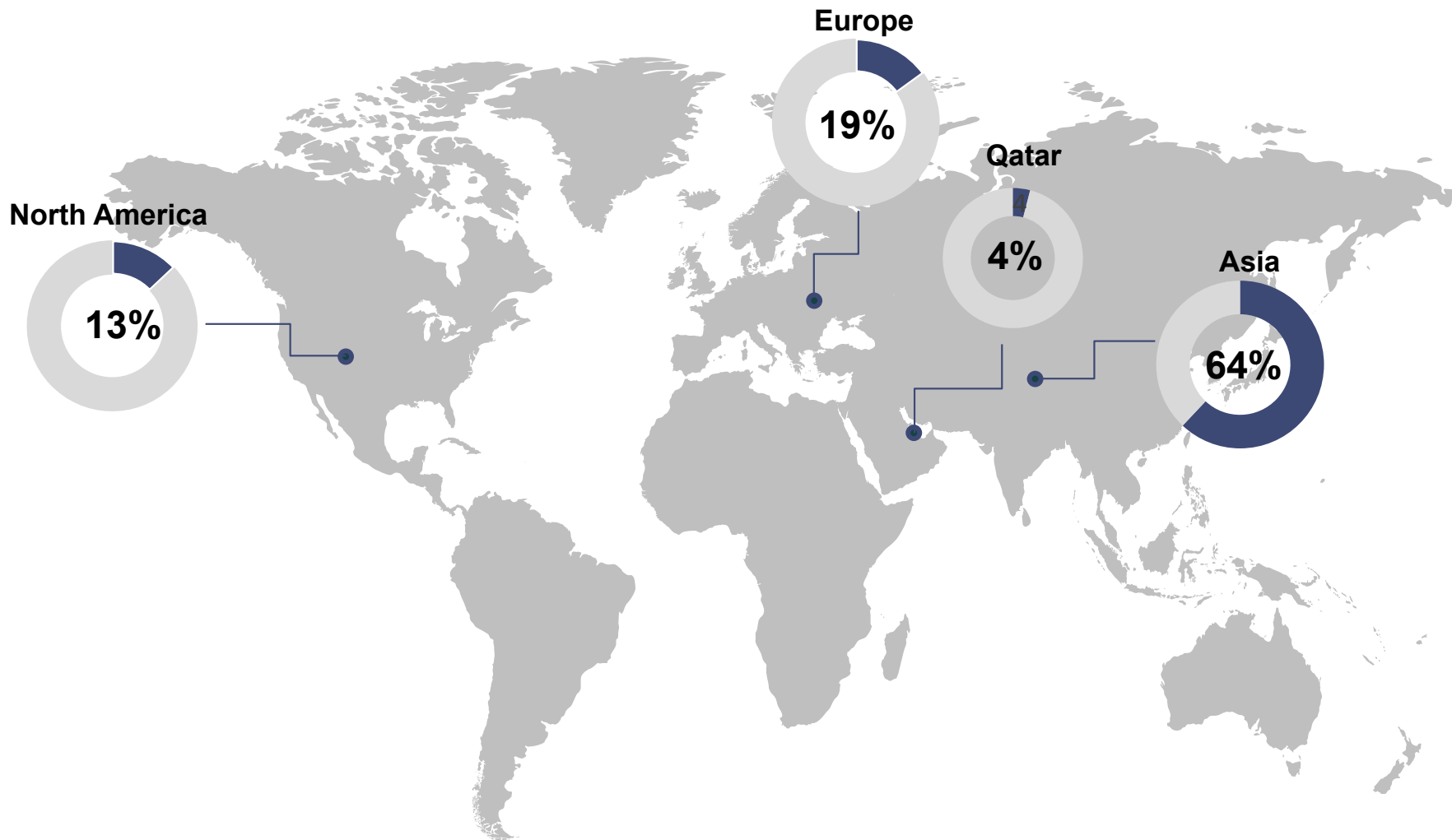
Analysis of EBITDA Margins

Despite macroeconomic volatilities, QAMCO's JV EBITDA margins continue to remain robust & resilient



Geographic Analysis – QAMCO JV Revenue

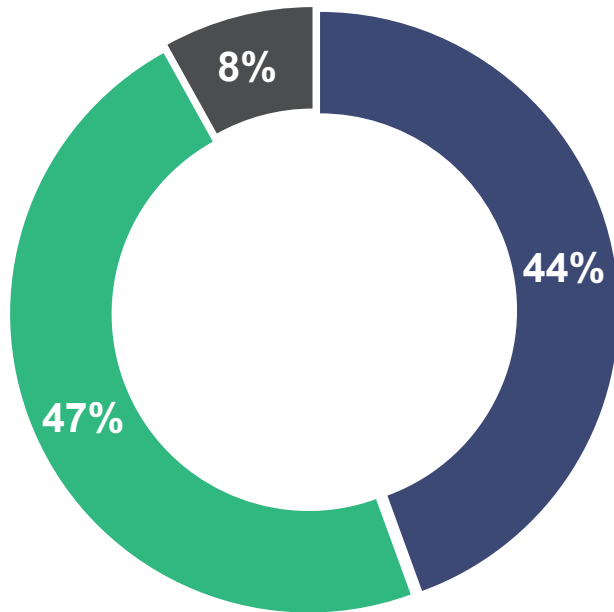
Asia remained QAMCO JV's largest market, while its presence in Europe and US continued to be substantial



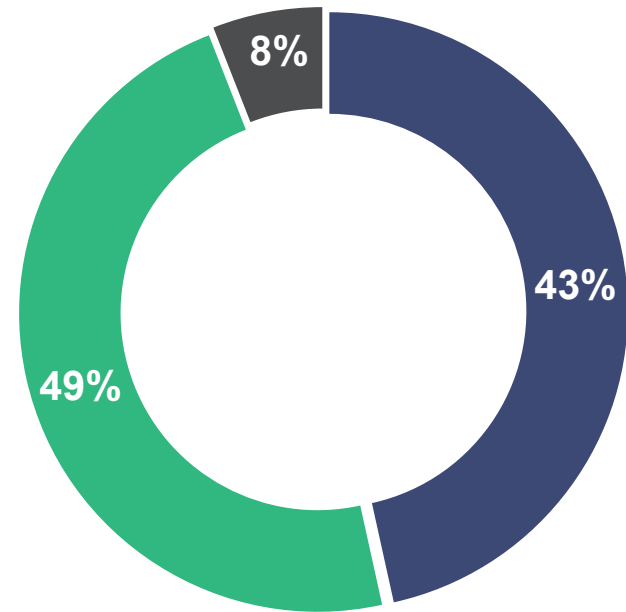
QAMCO JV Volumes – Product Mix (%)

- Foundry alloys along with extrusion ingots (together referred to as value added or premium products) remains key products for QAMCO's JV.

9M-24 QAMCO JV Sales Volumes – Product mix (%)



9M-23 QAMCO JV Sales Volumes – Product mix (%)



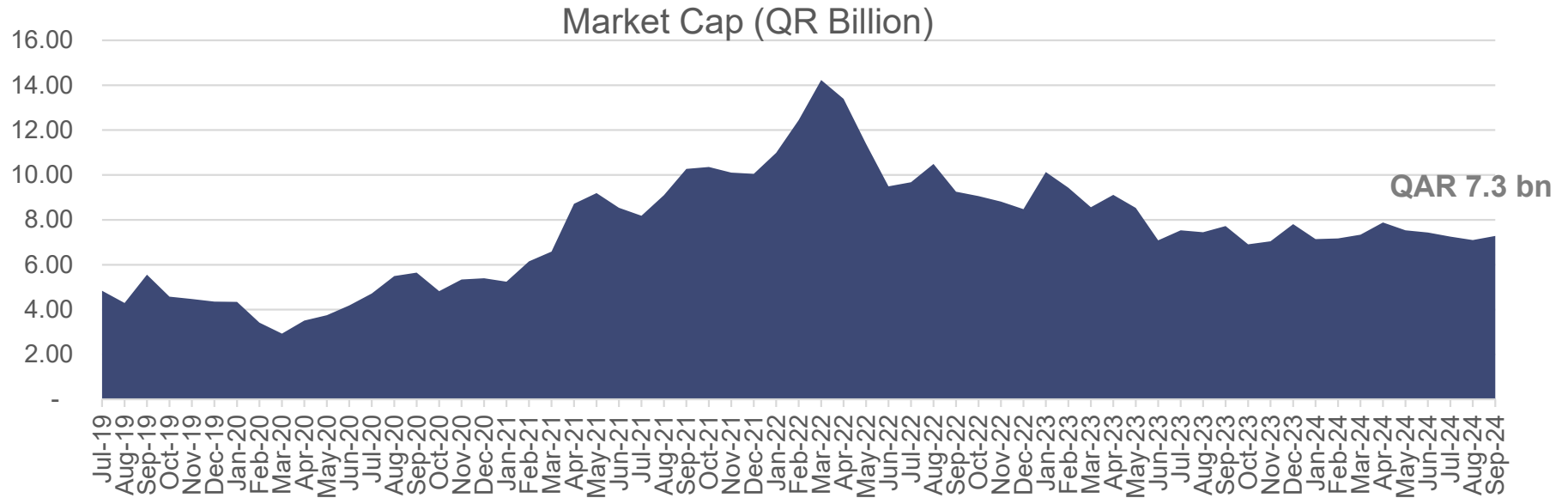
■ Extrusion Ingots ■ Foundry Alloys ■ Standard Ingots & precision tubes



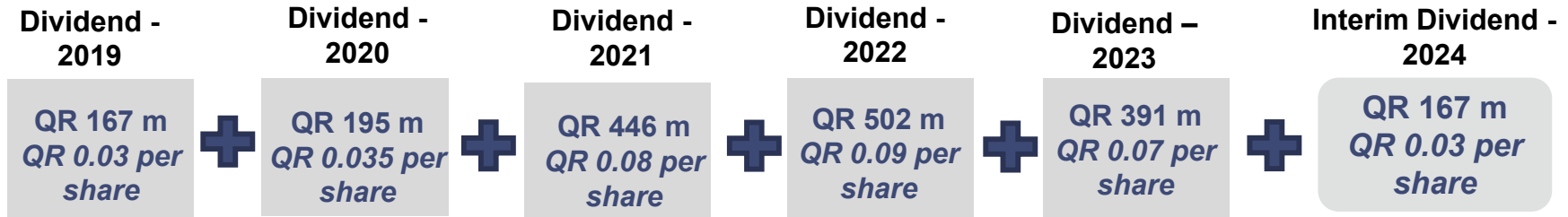


Market Statistics and dividend distribution

Market Statistics and Dividends



Dividend distribution since incorporation



- On **6th August 2024**, the Board decided to **interim dividends** to the shareholders, inline with applicable regulations.
- The total dividends paid from the date of incorporation amounted to QR **1.9 billion** representing a payout of **33.5%** of the nominal value of the shares.





CAPEX (2024-2028)

CAPEX (2024-2028) – (QAMCO's Share)

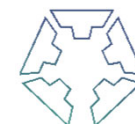
CAPEX:

- Planned CAPEX (2024-28) include routine operations such as pot relining and other maintenance pertaining to power plant and anode plant.

| CAPEX overview (QAR' m) | 2024 | 2025 | 2026 | 2027 | 2028 |
|--|------------|------------|------------|------------|------------|
| Pot relining | 19 | 21 | 72 | 112 | 126 |
| CAPEX <\$5m - operational CAPEX | 61 | - | - | - | - |
| CAPEX - <\$5M other projects | 35 | 101 | 109 | 86 | 80 |
| Capex >\$5m | 47 | 5 | - | - | - |
| Turbines / Fluewall / Casthouse scrap re-melting / larger anodes/solar power plant/ GT 11,12,21 &22 Rotor refurbishments / others | 43 | 74 | 117 | 55 | 36 |
| Total Capex Cash Outflow (QAMCO's share) | 206 | 200 | 298 | 253 | 242 |

Note: The CAPEX figures for the years 2024-28 are based on the 2024 approved budget and business plan, based on the expectations of the market conditions and aluminium prices prevailing at the time preparing the business plan.

With the current market conditions and aluminium price trends, the forecasts for 2024-2028 as disclosed in the above table cannot be relied on with absolute certainty, where, the actual realization of these cash flows might significantly differ as compared to these projections, subject to the macroeconomic conditions, including, among other factors, business environment, market dynamics, product prices etc. prevailing in that specific year.

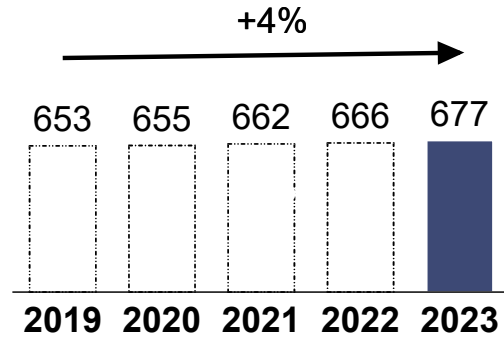




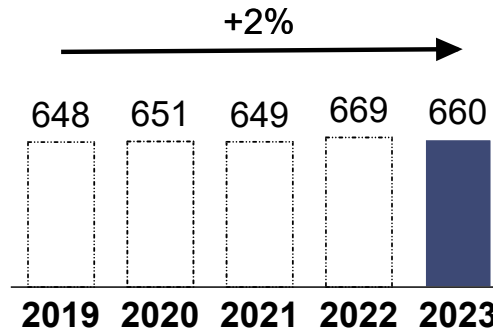
Historical performance (2019 - 2023)

Key Performance Indicators

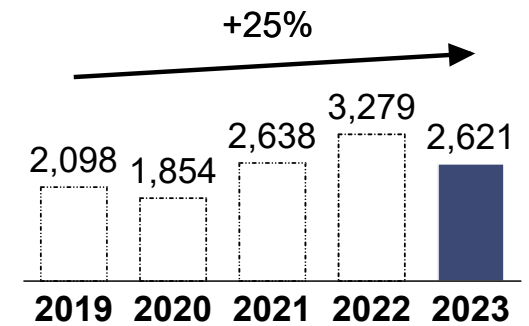
Production (MT'000) – 100%



Sales Volumes (MT'000) – 100%

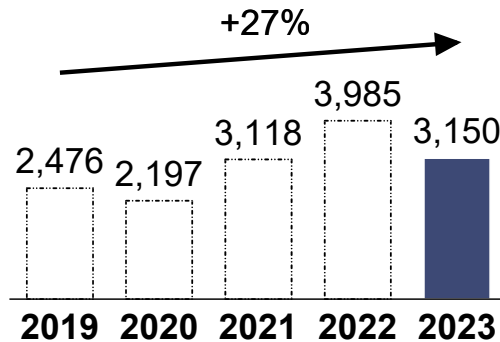


Selling Prices (\$ / MT)

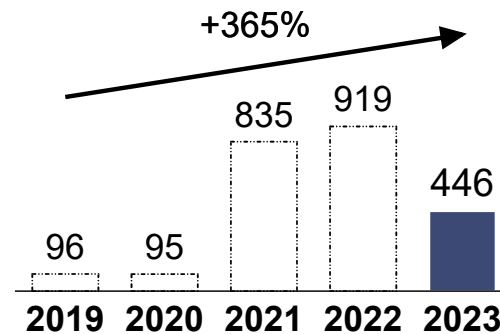


- 2023 Production remained highest since QAMCO's incorporation.
- 2023 Selling price fluctuated amid challenging macroeconomic context.

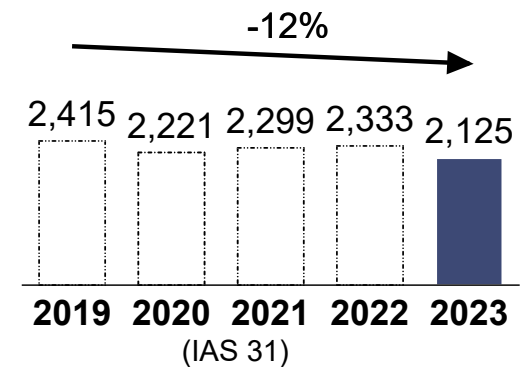
Share of Revenue (QR million)



QAMCO's Net Profit (QR million)



Share of JV's Debt (QR million)



- Revenue growth continue to remain linked to selling price trends.
- 2023 Net profits mainly linked to average realized selling prices.

Note: For purpose of comparability, 2019 financial data reported here relates to the period from 01 January 2019 till 31 December 2019. Whereas, in actual, the published financial statements for the year ended 31 December 2019 included financial data for the period from the date of QAMCO's incorporation (i.e., 3 December 2018) till 31 December 2019.





Governance Structure

Governance Structure

Board structure

- QAMCO Board of Directors consists of six (6) Directors, all were appointed by the Special Shareholder “QatarEnergy”.
- QatarEnergy appoints qualified and eligible Board Directors who are sufficiently experienced to perform their duties in the best interest of the Company and dedicated to achieving its goals and objectives.

Governance and compliance

- QAMCO is firmly committed to implementing the principles of good governance set out in the Governance Code for Companies Listed on the Main Market issued by Qatar Financial Markets Authority (QFMA), that are consistent with the provisions of the Company’s AoA.
- The Board of Directors ensures that an organizational framework, that is consistent with the legal and institutional framework of the listed companies, is in place at the Company level. This is achieved through a process of reviewing and updating governance implementation whenever required.

Board committees

- The Board of Directors established Board Committees and Special Committees to carry out specific tasks. The Board remains liable for all the powers and authorities so delegated. Currently, Board Committees are Audit Committee and Remuneration Committee.

Authorities

- No one person in the Company has unfettered powers of decision. Decision-making process is always done in accordance with the Company’s Manual of Authorities and the relevant regulations.



Governance Structure

Remuneration

Board of Directors

- The Company has developed a periodically revisited remuneration policy for Board members. The policy has fixed component for Board membership and attending meetings and performance-related variable component. The proposed remuneration of Board members shall be presented to the General Assembly for approval.

Executive Management

- All financial, administrative and head office services are provided by resources from QatarEnergy under a service-level agreement

Disclosure and transparency

- The Board ensures that all disclosures are made in accordance with the requirements set by regulatory authorities, and that accurate, complete and non-misleading information is provided to all shareholders in an equitable manner.

Shareholders' rights

- The Company's Articles of Associations provide for the rights of shareholders, particularly the rights to receive dividends, attend the General Assembly and participate in its deliberations and vote on decisions, tag along rights as well as the right to access information and request it with no harm to the Company's interests.

Company's control system

- The Company adopted an internal control system that consists of policies and operating procedures for risk management, internal and external audit, monitoring Company's compliance with the relevant regulations. Clear lines of self-control, responsibility and accountability throughout the Company are therefore set.
- The internal control framework is overseen by the Executive Management, the Audit Committee and the Board of Directors.



THANK YOU

For further information, Qatar Aluminium Manufacturing Company can be contacted as follows:

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Please refer to www.gamco.com.qa for the latest information, publications, press releases and presentations about Qatar Aluminium Manufacturing Company.



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