

FOR IMMEDIATE RELEASE

## **QAMCO reports a net profit of QR 240 million for the three-month period ended 31 March 2022**

- *QAMCO sets excellent quarterly net income results, while benefitting from constructive macroeconomic drivers*
- *QAMCO's share of revenue from the JV amounted to QR 950 million, with a 49% increase versus 1Q-21*
- *QAMCO's share of EBITDA from the JV reached QR 361 million for the three-month period ended 31 March 2022, with an outstanding EBTIDA margin of 38%*
- *1Q-22 earnings per share amounted to QR 0.043*
- *QAMCO continue to maintain robust liquidity position with closing cash and bank balances (including share of cash in QAMCO's JV) at QR 1.2 billion*

**Doha, Qatar; 27 April 2022:** Qatar Aluminium Manufacturing Company Q.P.S.C. ("QAMCO" or "the Company"; QE Ticker: QAMC), a 50% joint venture partner in Qatar Aluminum Limited Q.S.C. (Qatalum or JV), today reported a net profit of QR 240 million for the three-month period ended 31 March 2022, with an earnings per share (EPS) of QR 0.043.

### **Macroeconomic overview**

Demand for primary aluminium continue to remain firm across key aluminium intensive sectors like automobiles (especially electric vehicles), construction, renewable energy and packaging. On the other hand, supply remained in deficit, given higher energy prices in Europe and dual policy measures by China, leading to widening of inventory deficits. Moreover, with trade disengagement from Russia amid geo-political tensions, commodity markets are displaying clear signals of scarcity. On overall basis these supply-demand imbalances have led to persistently high-price trajectories for primary aluminium throughout the first three months of 2022.

**Financial performance updates – 1Q-22 vs 1Q-21**

<b>Key financial indicators</b>	<b>1Q-22</b>	<b>1Q-21</b>	<b>Variance (%)</b>
Share of JV's revenue (QR' million)	950	639	+49%
Share of JV's EBITDA (QR' million)	361	262	+38%
Net profit (QR' million)	240	124	+93%
EBITDA margin (%)	38%	41%	--
Earnings per share (QR per share)	0.043	0.022	+94%

QAMCO recorded a healthy financial performance for 1Q-22 and reported a net profit of QR 240 million, as compared to QR 124 million for the same period last year, with an earnings per share (EPS) of QR 0.043 versus QR 0.022 for 1Q-21.

Share of revenue from the JV increased by 49% to reach QR 950 million as compared to QR 639 million for 1Q-21. EBITDA increased by 38% and reached QR 361 million as compared to QR 262 million for the same period last year.

QAMCO's improved financial results in comparison to 1Q-21, were largely attributed to an overall growth in average realized selling prices which increased by 51% during 1Q-22 versus 1Q-21, and contributed QR 320 million positively towards current period's net earnings in comparison to 1Q-21.

Production activity remained stable with volumes witnessing a marginal increase of 1% during the current period. Sales volumes marginally declined by 1% versus last year, reflecting timings of shipment to various destinations. QAMCO's JV remained successful in realizing higher premiums linked to better market sentiments prevailed during 1Q-22.

JV's cost of goods sold for 1Q-22 were higher compared to 1Q-21, mainly on account higher raw material costs, offset by favorable inventory movements and lower impairment provisions. On overall basis, increase in cost of goods sold contributed QR 183 million negatively towards QAMCO's net profits for 1Q-22 versus 1Q-21.

### Financial performance updates – 1Q-22 vs 4Q-21

Key financial indicators	Q1-22	Q4-21	Variance (%)
Share of JV's revenue (QR' million)	950	991	-4%
Share of JV's EBITDA (QR' million)	361	456	-20%
Net profit (QR' million)	240	313	-23%
Earnings per share (QR per share)	0.043	0.056	-23%
EBITDA margin (%)	38%	46%	--

Compared to 4Q-21, share of JV's revenue decreased by 4%, while QAMCO's net profits declined by 23%. A key contributor towards this decrease was mainly linked to the increase in key raw materials cost. Also, decline in sales volume by 11% affected overall financial performance on a quarter-on-quarter basis. The decline in sales volumes was mainly due to certain shipments in transit carried over from 3Q-21 being delivered during 4Q-21, which significantly increased the sales volumes for 4Q-21 in comparison to any other quarter.

On the contrary, average selling prices increased by 7% and partially offset the aforementioned downsides. Growth in selling prices was mainly linked to persistent constructive macroeconomic trends echoed from the previous year. Also, geo-political tensions amid Russia-Ukraine war has created an additional layer of supply side challenges to the aluminium markets.

### Financial position updates

Key performance indicators	As at 31-Mar-22	As at 31-Dec-21	Variance (%)
Total Assets (QR' million)	6,253	6,446	-3%
Cash and bank balances* (QR' million)	1,201	1,537	-22%
Share of JV's debt (QR' million)	2,311	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 cash and bank balances as at the end of March'22 reaching QR 1.2 billion. QAMCO's share of operating cash flows generated by the JV amounted to QR 219 million for the three-month period ended 31 March 2022, with a share of free cash flows amounting to QR 148 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 to discuss the current year's results, business outlook and other matters on Thursday, 28<sup>th</sup> April 2022 at 12:00 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.qamco.com.qa](http://www.qamco.com.qa)

## DISCLAIMER

The company in which Qatar Aluminium Manufacturing Company Q.P.S.C. directly owns investment is a separate entity. 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