

QAMCO posts a net profit of QR 354 million for the nine-month period ended 30 September 2023

- *QAMCO's share of revenue from the JV amounted to QR 2.4 billion for the nine-month period ended 30 September 2023*
- *QAMCO's share of EBITDA from the JV stood at QR 740 million, with an EBITDA margin of 30%*
- *Earnings per share amounted to QR 0.063 for the nine-month period ended 30 September 2023*
- *9M-23 average realized selling prices declined by 23% versus 9M-22 amid challenging macroeconomic context*
- *QAMCO's closing cash balance (including share of cash in QAMCO's JV) stood at QAR 1.9 billion excluding restricted cash*

Doha, Qatar; 30th October 2023: 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 354 million for the nine-month period ended 30 September 2023, with an earnings per share (EPS) of QR 0.063.

Updates on macroeconomic environment:

The aluminium market witnessed fluctuations in demand due to factors including slower than expected recovery of global economies, sluggish construction activities and muted activities within other sectors utilizing aluminum as input, and a relatively high-interest rate environment. Despite earlier disruptions, enhanced smelting rates boosted supply, leading to declining trends in aluminium prices for 9M-23 compared to 9M-22 amidst macroeconomic challenges leading to sequential decline in product prices during the current quarter.

Financial performance updates – 9M-23 vs 9M-22

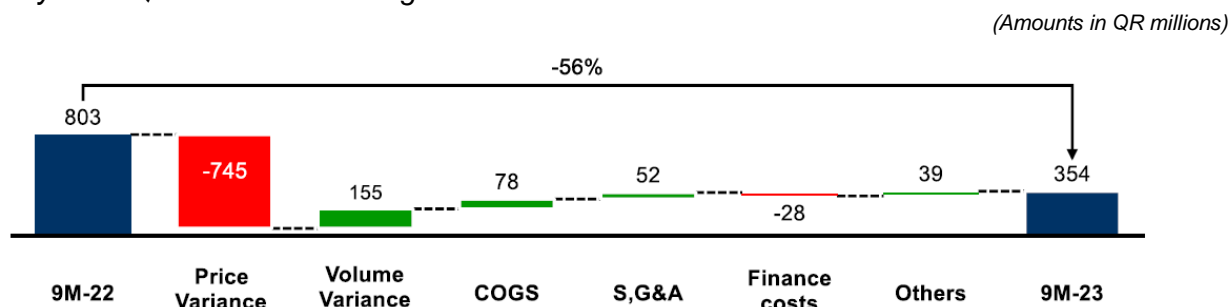
Key financial indicators	9M-23	9M-22	Variance (%)
Production volumes (MT' 000) – 100%	506	498	+2%
Sales volumes (MT' 000) – 100%	500	473	+6%
Realized average selling prices (USD/MT)	2670	3489	-23%
Share of JV's revenue (QR' million)	2,430	3,020	-20%
Share of JV's EBITDA (QR' million)	740	1,208	-39%
Net profit (QR' million)	354	803	-56%
Earnings per share (QR per share)	0.063	0.144	-56%
EBITDA margin (%)	30%	40%	--



QAMCO reported a net profit of QR 354 million for the nine-month period ended 30 September 2023, as compared to QR 803 million for the same period of last year, with an earnings per share (EPS) of QR 0.063 versus QR 0.144 for 9M-22.

Share of JV’s revenue declined by 20% to reach QR 2,430 million for the current period, as compared to QR 3,020 million for 9M-22 primarily driven by lower product prices, while sales volumes have shown an increase on the backdrop of improved production. EBITDA declined by 39% and reached QR 740 million in comparison to QR 1,208 million for the same period of last year. While EBITDA margin for 9M-23 remained at 30% compared to 40% for 9M-22.

Analysis of QAMCO’s net earnings – 9M-23 vs 9M-22



QAMCO’s financial results for the current period versus same period of last year, were largely attributed to an overall decline in average realized selling prices.

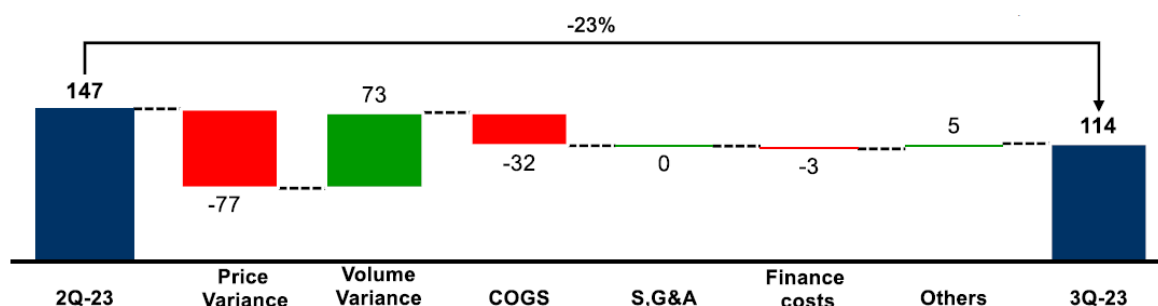
Average realized selling price witnessed a decline of 23% during 9M-23 versus 9M-22 to reach USD 2,670 /MT amid macroeconomic challenges and impacted QR 745 million to the net profit for nine-month period ended 30 September 2023 versus the same period of last year.

Production levels showed a slight uptick, with a 2% increase in production volumes for the current period compared to 9M-22. Sales volumes also grew by 6% over the same period last year, on the backdrop of improved production amid efficiency improvement within QAMCO’s joint venture facility. Volume improvement was also aided by shift from value-added products to Standard Ingots, influenced by prevailing market conditions. This increase in sales volumes positively impacted our financial performance, contributing QR 155 million to the net profit for the nine-month period ending 30 September 2023, as opposed to 9M-22.

Cost of goods sold for the current nine-month period relatively declined mainly on account of lower raw material costs despite higher sales volume. On overall basis, the decline in cost of goods sold contributed QR 78 million positively to the net profits for the nine-month period ended 30 September 2023 versus same period of last year while savings in S,G&A added QR 52 million to QAMCO’s bottom line profitability. QAMCO’s financial performance also aided by improved finance income (other income). On the other hand, finance expenses on the other hand shot-up due to rise in interest rate during the period.

Financial performance updates – 3Q-23 vs 2Q-23

Key financial indicators	3Q-23	2Q-23	Variance (%)
Production volumes (MT' 000) – 100%	170	168	+2%
Sales volumes (MT' 000) – 100%	183	168	+9%
Realized average selling prices (USD/MT)	2,541	2,772	-8%
Share of JV's revenue (QR' million)	845	849	-0%
Share of JV's EBITDA (QR' million)	241	275	-12%
Net profit (QR' million)	114	147	-23%
Earnings per share (QR per share)	0.021	0.026	-22%
EBITDA margin (%)	29%	32%	--

Analysis of QAMCO's net earnings - 3Q-23 vs 2Q-23
(Amounts in QR millions)


During 3Q-23, QAMCO witnessed a 23% decline in net profits compared to the previous quarter. This decline in profitability was primarily due to a decrease in the average realized selling price, in-line with the global aluminum markets.

The boost in sales volumes was attributed to favorable inco-terms and higher sales of standard ingots on a sequential basis. While this surge in sales positively impacted the bottom-line profitability, adding QR 73 million in 3Q-23 compared to 2Q-23, it was entirely offset by the lower average selling price and elevated COGs associated with the recognition of higher volumes. The combined impact of higher COGs and lower average selling prices adversely affected the bottom-line profitability by QR 109 million compared to the previous quarter.

Financial performance updates – 3Q-23 vs 3Q-22

Key financial indicators	3Q-23	3Q-22	Variance (%)
Production volumes (MT' 000) – 100%	170	167	+2%
Sales volumes (MT' 000) – 100%	183	164	+12%
Realized average selling prices (USD/MT)	2,541	3,865	-34%
Share of JV's revenue (QR' million)	845	1,156	-27%
Share of JV's EBITDA (QR' million)	241	522	-54%
Net profit (QR' million)	114	371	-69%
Earnings per share (QR per share)	0.021	0.067	-69%
EBITDA margin (%)	29%	45%	--

In 3Q-23, QAMCO profitability significantly declined by 69% compared to the same quarter last year, primarily due to a lowered average realized selling price amidst the macroeconomic challenges in the aluminum market as challenges witnessed in the key sectors. On a positive note, there was a 12% increase in sales volume, contributing favorably to the overall bottom-line profitability.

However, the overall decrease in selling prices led to a 27% reduction in the share of JV's revenue during 3Q-23 compared to the corresponding period in the previous year.

Financial position updates

Key performance indicators	As at 30- September- 23	As at 31-Dec-22	Variance (%)
Total Assets (QR' million)	6,779	6,926	-2%
Cash and bank balances (QR' million)*	1,897	2,064	-8%
Share of JV's debt (QR' million)	2,086	2,295	-9%

*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 September 2023 reaching QR 1.9 billion in form of cash and bank balances (including proportionate share of cash and bank balances of the joint venture). During the period, QAMCO's JV generated share of operating cash flows of QR 535 million, with a share of free cash flow to firm of +QR 371 million mainly due to on-going capital expenditure.

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 and reliability requirements.

Earnings Call

QAMCO will host an IR earnings call with investors to discuss its results for 9M-23, on Wednesday, 1st November 2023 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.

-Ends-



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 or gamco.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. 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