

## **QAMCO posts a net profit of QR 93 million for the three-month period ended 31 March 2023**

- *QAMCO's share of revenue from the JV amounted to QR 736 million for the three-month period ended 31 March 2023*
- *QAMCO's share of EBITDA from the JV stood at QR 223 million, with an EBITDA margin of 30%*
- *Earnings per share amounted to QR 0.017 for the three-month period ended 31 March 2023*
- *1Q-23 prices declined by 18% versus 1Q-22 amid macroeconomic headwinds, however, prices for the JV stabilized versus 4Q-22*
- *QAMCO's closing cash balance (including share of cash in QAMCO's JV) stood at QAR 1.66 billion excluding restricted cash*

**Doha, Qatar; 7 May 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 93 million for the three-month period ended 31 March 2023, with an earnings per share (EPS) of QR 0.017.

### **Updates on macroeconomic environment**

During the first quarter of 2023, the macroeconomic context for the aluminium markets remained volatile. Several factors affected the commodity markets, which cascaded down to the supply-demand dynamics of aluminium and led to volatilities in prices.

Demand for aluminium was overshadowed by China's slow paced post-COVID recovery phase, coupled with persistent weakness in the Chinese construction sector. In parallel, high inflation and monetary tightening by most of the Central Banks continue to weigh on industrial demand for most of the commodities, including aluminium.

On the other hand, operating rates for European smelters improved following a recent fall in natural gas prices. However, geo-political tensions on account of Russia-Ukraine conflict continue bringing an additional layer of uncertainty to the commodity markets.

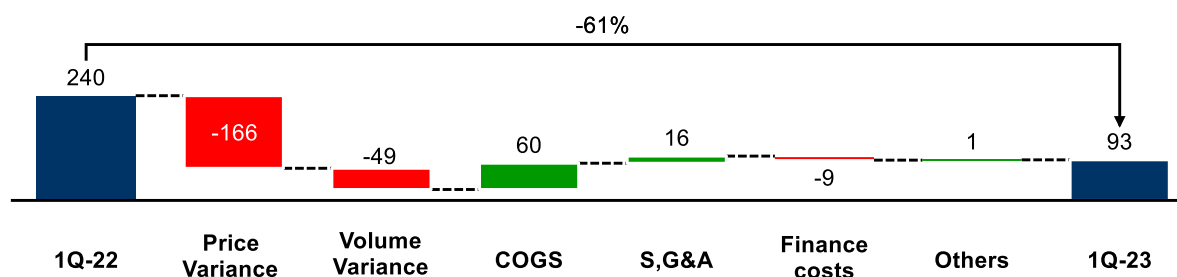
On an overall basis, aluminium prices for 1Q-23 demonstrated declining trends versus 1Q-22, amid macroeconomic headwinds. However, aluminium prices remained essentially stable versus 4Q-22.

**Financial performance updates – 1Q-23 vs 1Q-22**

Key financial indicators	1Q-23	1Q-22	Variance (%)
Production volumes (MT' 000) – 100%	168	164	+2%
Sales volumes (MT' 000) – 100%	149	158	-6%
Share of JV's revenue (QR' million)	736	950	-23%
Share of JV's EBITDA (QR' million)	223	361	-38%
Net profit (QR' million)	93	240	-61%
Earnings per share (QR per share)	0.017	0.043	-61%
EBITDA margin (%)	30%	38%	--
Realized average selling prices (USD/MT)	2,704	3,316	-18%

QAMCO reported a net profit of QR 93 million for the three-month period ended 31 March 2023, as compared to QR 240 million for the same period of last year, with an earnings per share (EPS) of QR 0.017 versus QR 0.043 for 1Q-22.

Share of JV's revenue declined by 23% to reach QR 736 million for the current period, as compared to QR 950 million for 1Q-22. EBITDA declined by 38% and reached QR 223 million in comparison to QR 361 million for the same period of last year. However, EBITDA margin for 1Q-23 remained at 30% compared to 38% for 1Q-22.

**Analysis of QAMCO's net earnings - 1Q-23 vs 1Q-22**
*(Amounts in QR millions)*


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 18% during 1Q-23 versus 1Q-22 to reach USD 2,704/MT amid macroeconomic headwinds and impacted QR 166 million to the net profit for three-month period ended 31 March 2023 versus the same period of last year.

Production levels slightly inched higher with an increase of 2% was noted in the production volumes for the current period versus 1Q-22. However, sales volumes declined by 6% versus 1Q-22, due to relatively lower sales of extrusion ingots versus last year. Decline in sales volumes

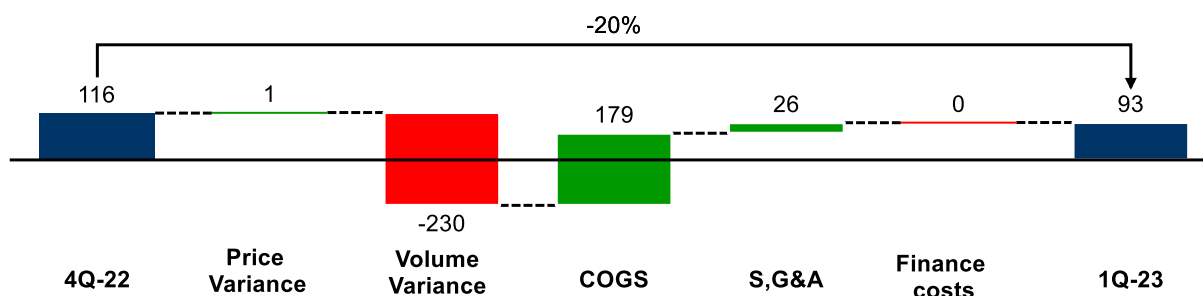
impacted QR 49 million to the net profit for three-month period ended 31 March 2023 versus 1Q-22.

Cost of goods sold for the current period declined versus the same period of last year, mainly on account of lower raw material costs coupled with higher closing inventory, as production volumes remained higher than sales volumes. On overall basis, the decline in cost of goods sold contributed QR 60 million positively to the net profits for the three-month period ended 31 March 2023 versus same period of last year.

#### Financial performance updates – 1Q-23 vs 4Q-22

Key financial indicators	1Q-23	4Q-22	Variance (%)
Production volumes (MT' 000) – 100%	168	168	0%
Sales volumes (MT' 000) – 100%	149	196	-24%
Share of JV's revenue (QR' million)	736	965	-24%
Share of JV's EBITDA (QR' million)	223	248	-10%
Net profit (QR' million)	93	116	-20%
Earnings per share (QR per share)	0.017	0.021	-20%
EBITDA margin (%)	30%	26%	--
Realized average selling prices (USD/MT)	2,704	2,699	+0%

#### Analysis of QAMCO's net earnings - 1Q-23 vs 4Q-22



Compared to 4Q-22, QAMCO's net profits for 1Q-23 declined by 20%. A key contributor towards this negative movement in profitability was mainly due to lower sales volumes reported during 1Q-23 versus 4Q-22, which declined by 24% on quarter-on-quarter basis. Decline in sales volumes was mainly attributed to exceptionally high sales volumes reported for 4Q-22, due to carry over of inventories from the previous quarter coupled with certain volumes which were affected due to timing of shipment. This decline in sales volumes contributed QR 230 million negatively to the bottom-line profitability for three-month period ended 31 March 2023 versus 4Q-22. Selling prices on the other hand remained stable versus 4Q-22, in line with global aluminium prices.

On the contrary, net earnings were positively impacted due to lower cost of goods sold reported during 1Q-23 versus 4Q-22, mainly linked to favorable inventory movements on account of lower sales volumes reported during 1Q-23. This decline in cost of goods sold contributed QR 179 million positively to the bottom-line profitability on a quarter-on-quarter basis.

## Financial position updates

Key performance indicators	As at 31-Mar-23	As at 31-Dec-22	Variance (%)
Total Assets (QR' million)	6,550	6,926	-5%
Cash and bank balances (QR' million)*	1,664	2,065	-19%
Share of JV's debt (QR' million)	2,206	2,295	-4%

\*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 31 March 2023 reaching QR 1.66 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 290 million, with a share of free cash flows of QR 245 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.

## Earnings Call

QAMCO will host an IR earnings call with investors to discuss its results for 1Q-23, business outlook and other matters, on Tuesday, 9<sup>th</sup> May 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.

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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.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.

This press release may contain forward-looking statements concerning the financial condition, results of operations and businesses of Qatar Aluminium Manufacturing Company Q.P.S.C. All statements other than statements of historical fact are deemed to be forward-looking statements, being statements of future expectations that are based on current expectations and assumptions, and involve known and unknown risks and uncertainties that could cause actual results, operations and business performance or events impacting the Company to differ materially from those expressed or as may be inferred from these statements.

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