



QAMCO

شركة قطر لصناعة الألمنيوم
Qatar Aluminium Manufacturing Company

Qatar Aluminium Manufacturing Company Investor Relations Presentation

30 June 2024

Disclaimer

The company in which Qatar Aluminium Manufacturing Company Q.P.S.C. directly owns investment is a separate entity. In this presentation, “QAMCO” and “the Company” are sometimes used for convenience in reference to Qatar Aluminium Manufacturing Company Q.P.S.C.

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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

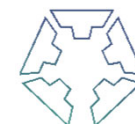


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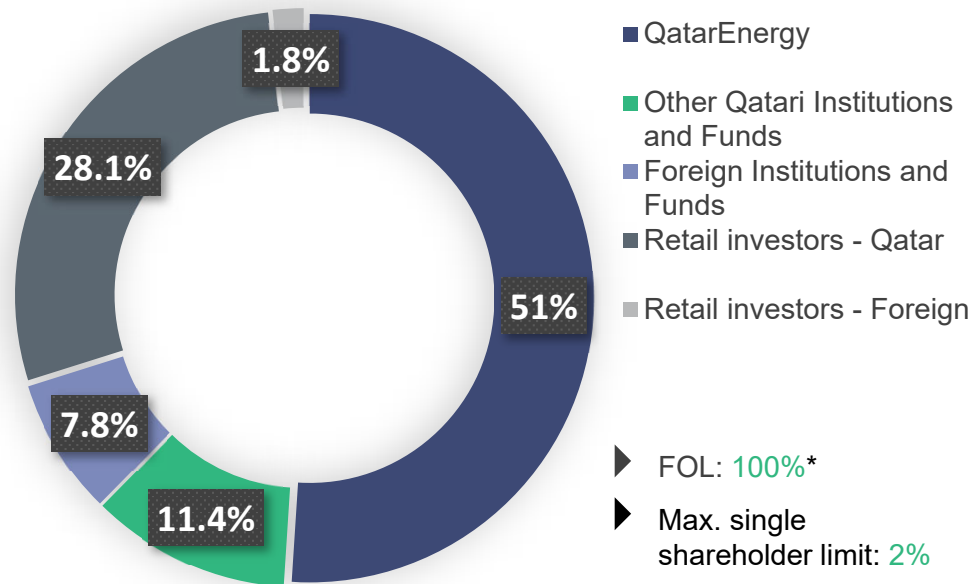
QAMCO at a Glance

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.

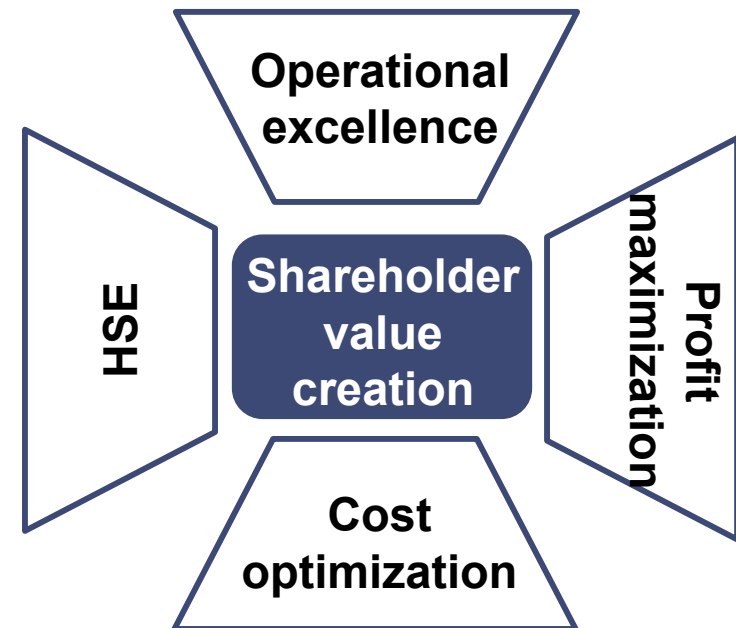
QAMCO's shareholding structure

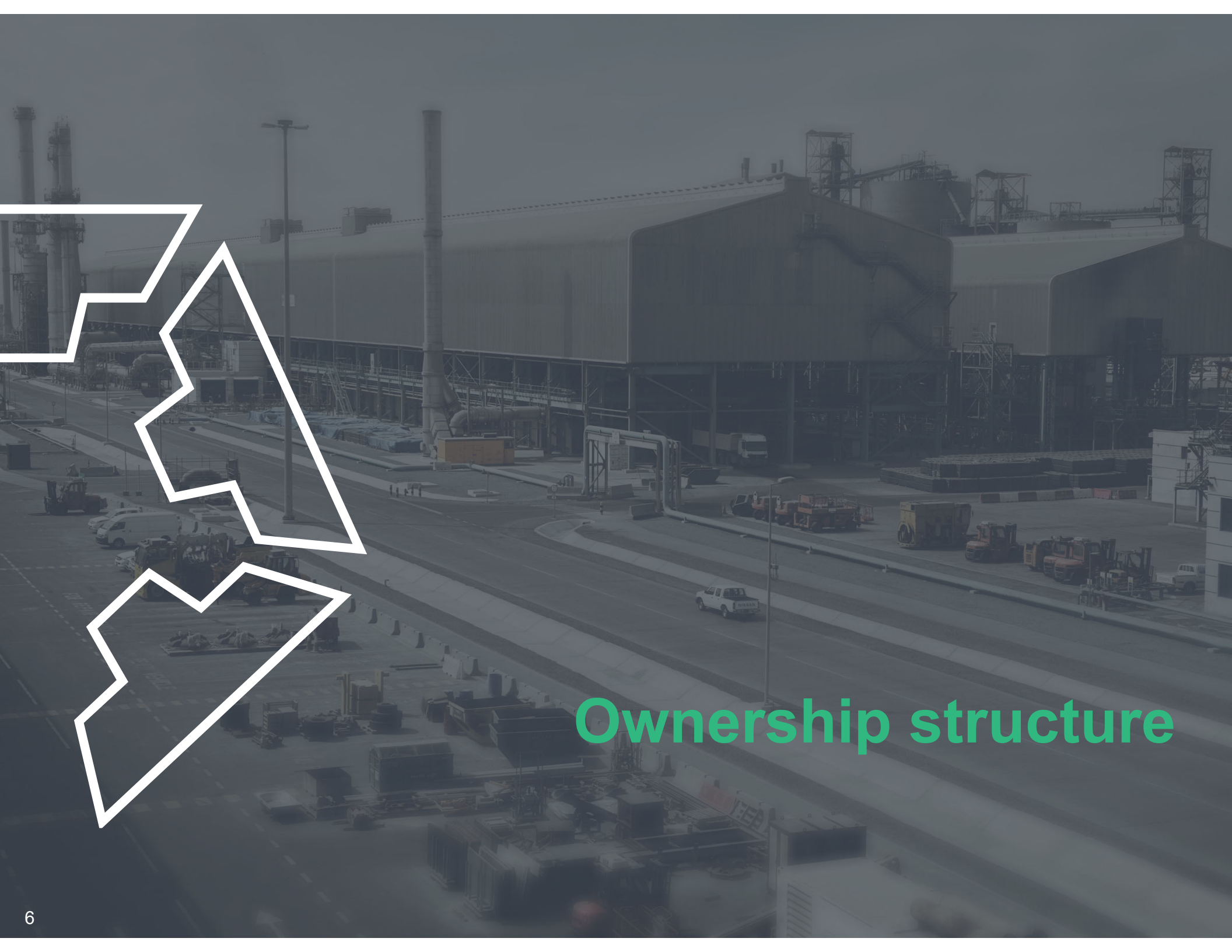


Note: Shareholder data as of 30-June-24

* 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.

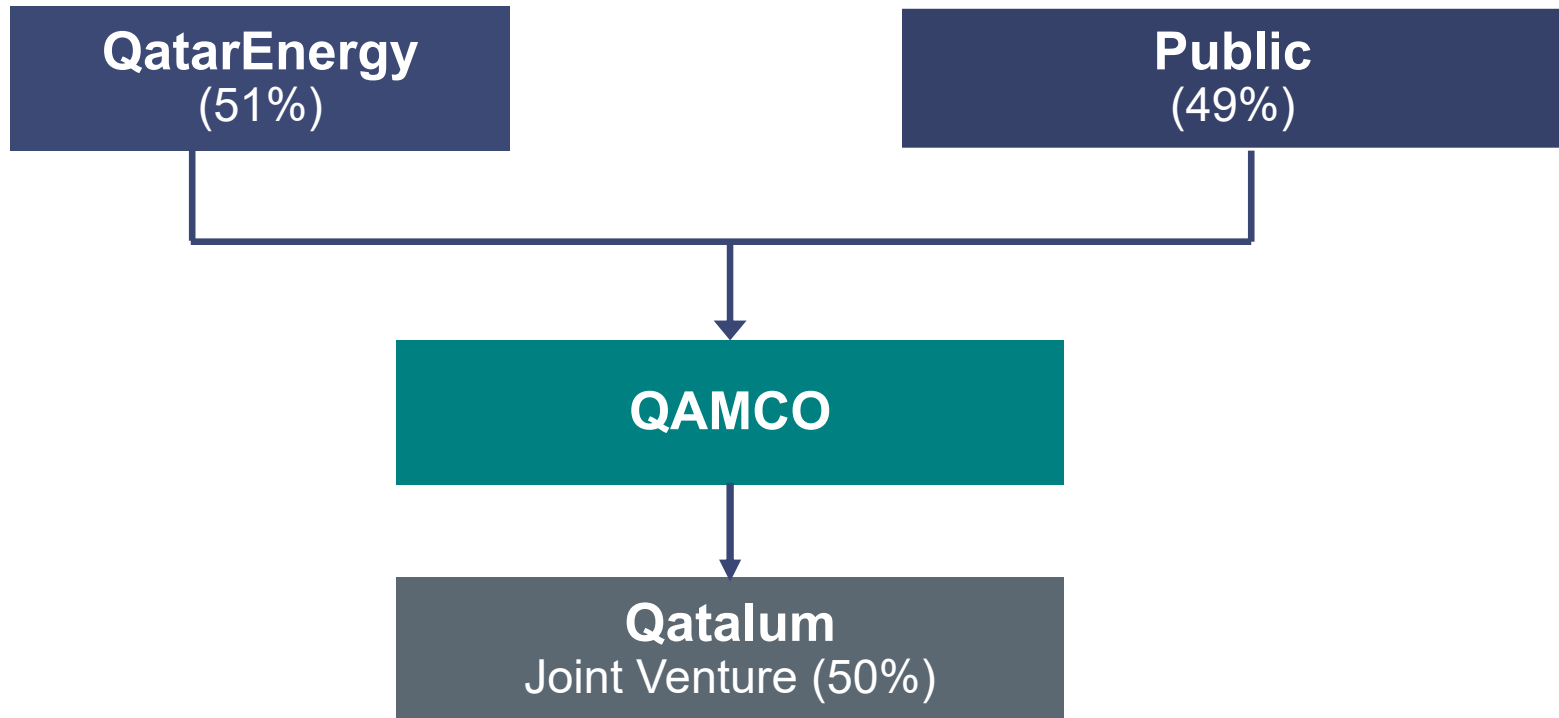
Core values





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:

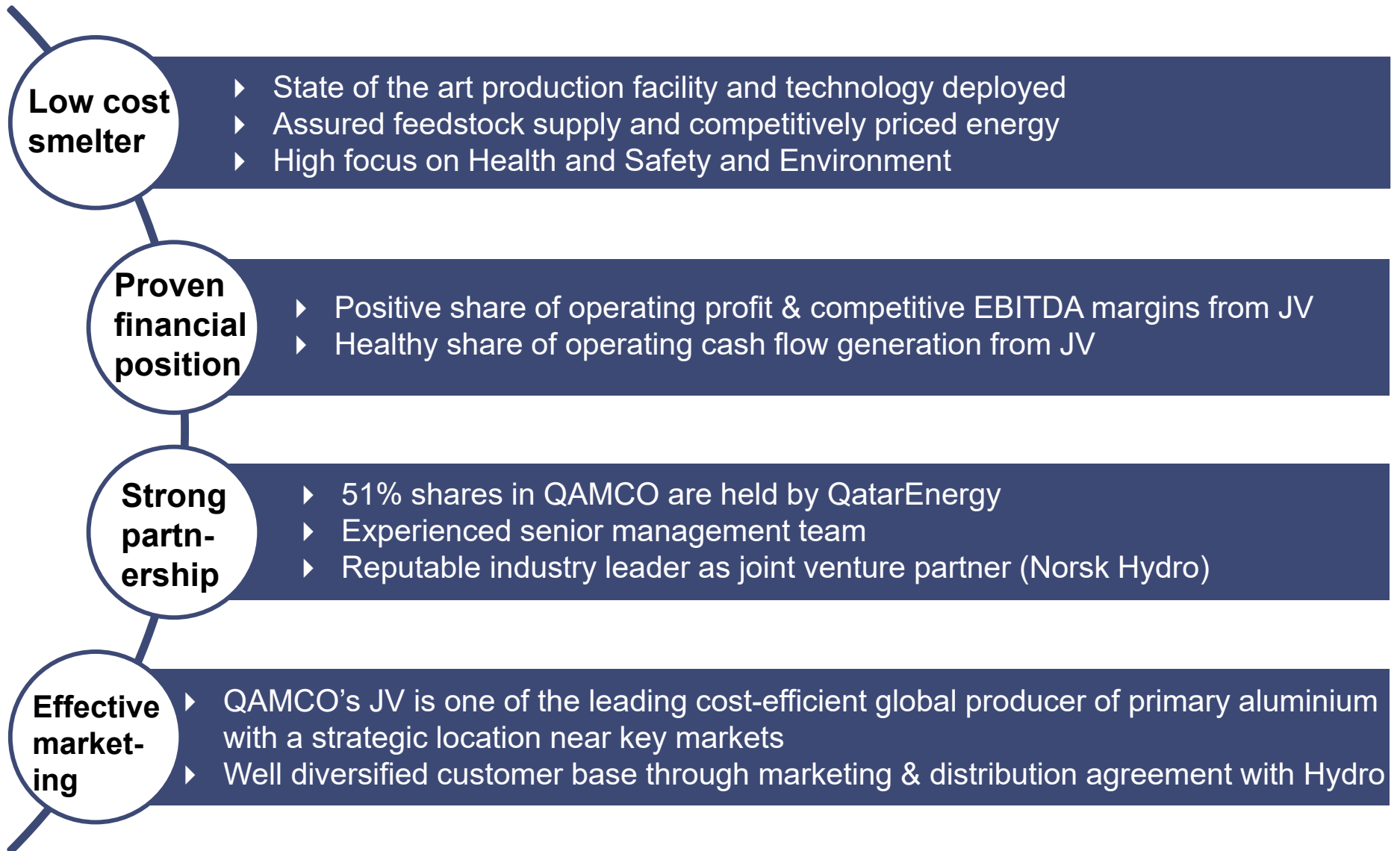
- With a Marketing and Offtake Agreement, Hydro Aluminium is responsible for the offtake and marketing of 100% of Qatar Aluminium products. The Marketing and Offtake Agreement gives Qatar Aluminium (Qatalum) access to Hydro Aluminium's worldwide sales network on no less favourable treatment than other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





Competitive strengths

Competitive Strengths

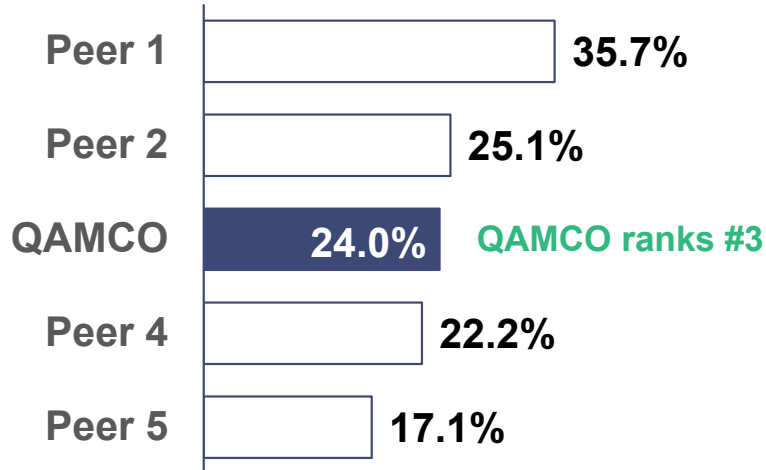




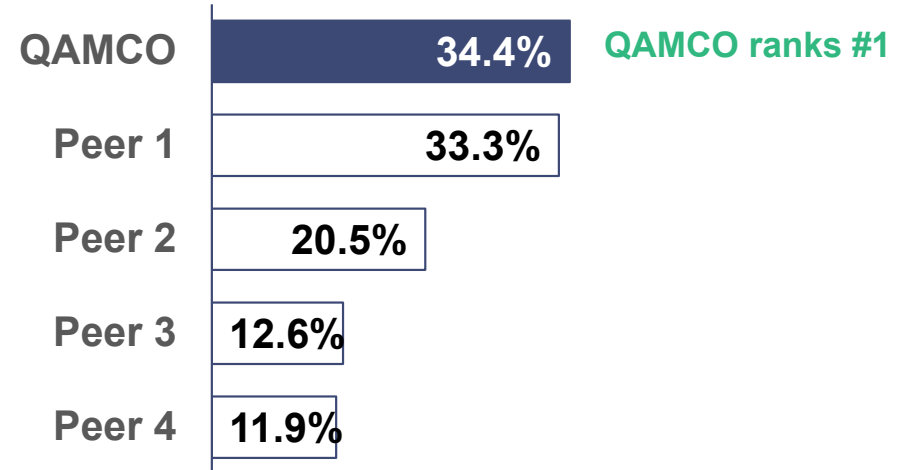
Peer review

QAMCO's Competitive Positioning versus Global Peers

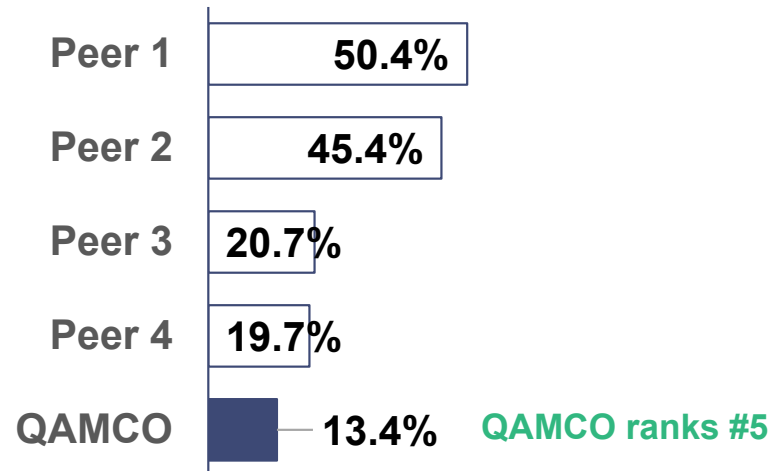
Gross profit margin (%)



EBITDA margin (%)



Net profit margin (%)



Note: Data as of 30/03/2024 where applicable

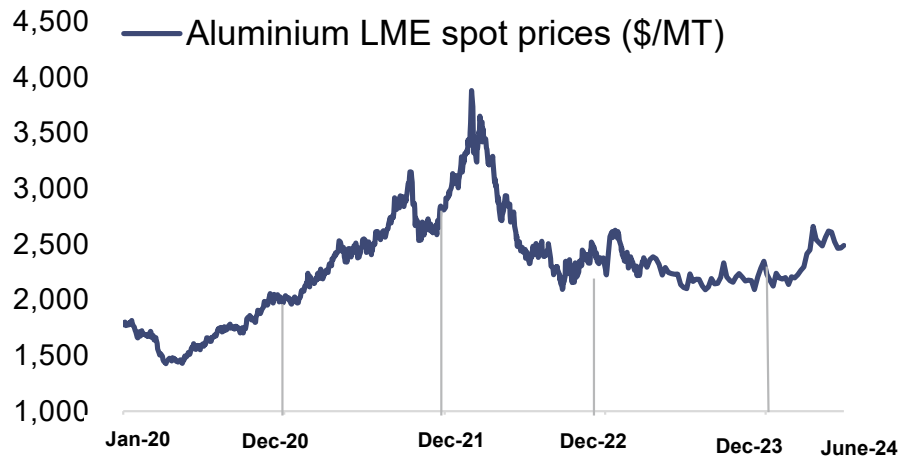




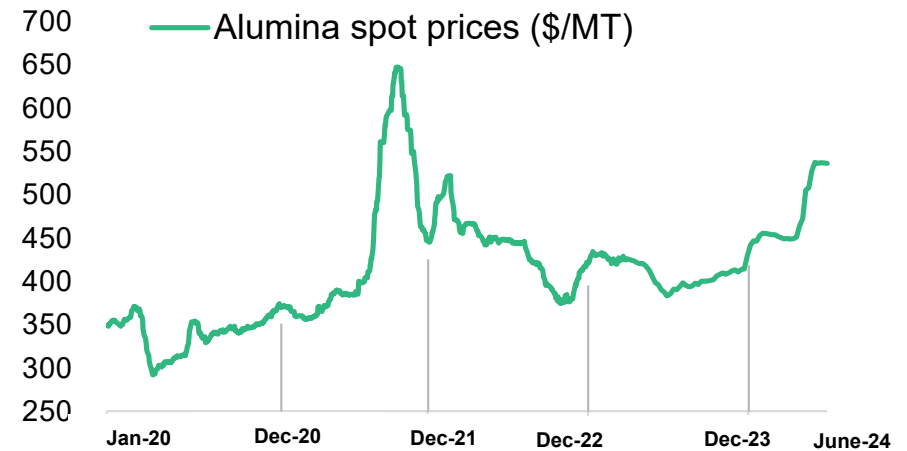
Macroeconomic updates

Macroeconomic Updates

Aluminium prices (\$/MT)



Alumina prices (\$/MT)



- Global aluminium industry remained modest mainly on the back of gradual recovery in the automotive sector despite facing various demand and supply challenges influenced by factors including:
 - Subdued demand in building and construction sector utilizing aluminium as input;
 - High inflation and monetary tightening by most of the Central Banks continue to weigh on industrial demand for most of the commodities, including aluminium;
 - Tepid global growth projections and weak consumer demand stemming from relatively high inflation and interest rates;
 - Regional geo-political tensions in the Red Sea.
- Aluminium prices have slightly hiked in 2Q-24 on the back of improved macroeconomic fundamentals.





QAMCO results
(For the six-month period
ended 30 June 2024)

1H-24 Results - At a Glance

vs. 1H-23

Revenue  -6%
QR 1,486 million

EBITDA  -1%
QR 495 million

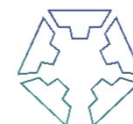
Net profit  -1%
QR 237 million

Cost per ton  -10%
QR 8,249*

EBITDA Margin  vs. 31%
33%

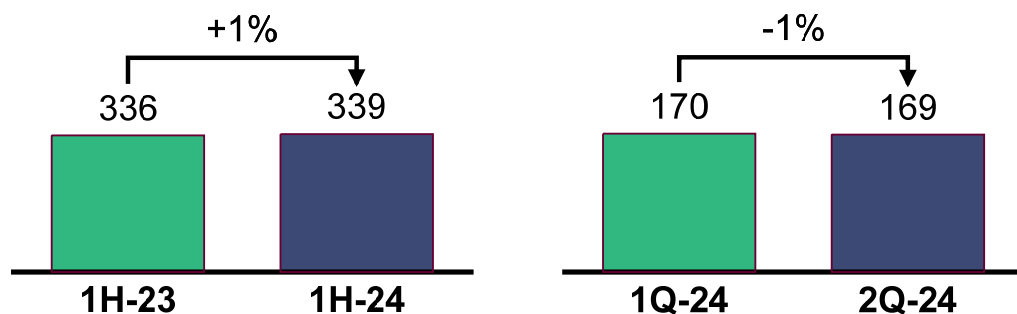
EPS  vs. QR 0.043
QR 0.042

- Average aluminium prices declined compared to the previous year amid macroeconomic headwinds. However, prices have slightly improved on Quarter over Quarter.
- QAMCO's closing cash balance (including share of cash in QAMCO's JV) stood at QAR 2.0 billion.



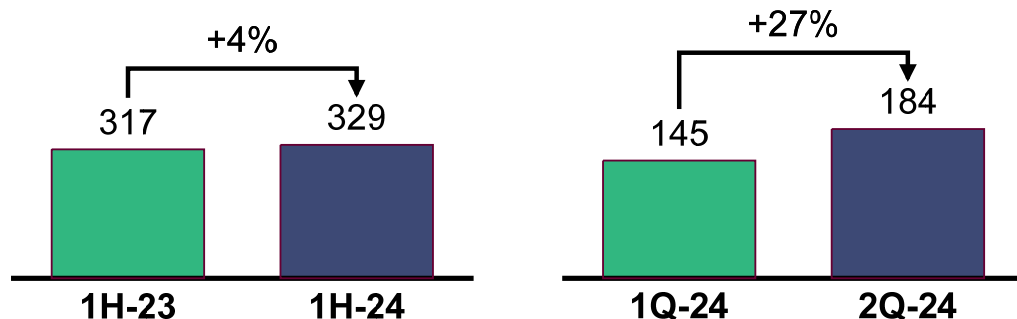
Operational Performance Review

Production (MT' 000) – 100%



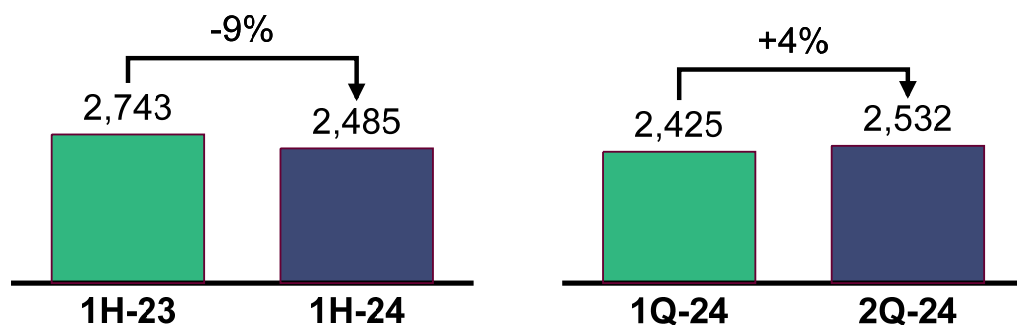
- 1H-24 vs 1H-23: Production volumes marginally inched higher compared to last year, due to higher amperage.
- 2Q-24 vs 1Q-24: production volumes marginally down compared to the previous quarter.

Sales volumes (MT' 000) – 100%

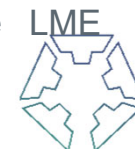


- 1H-24 vs 1H-23 : Sales volumes increased slightly compared to last year mainly due to improved demand for both Foundry Alloys and Extrusion Ingots.
- 2Q-24 vs 1Q-24: Sales volumes increased by 27% compared to 1Q-24, due to improved inco-terms.

Selling prices (\$/MT)

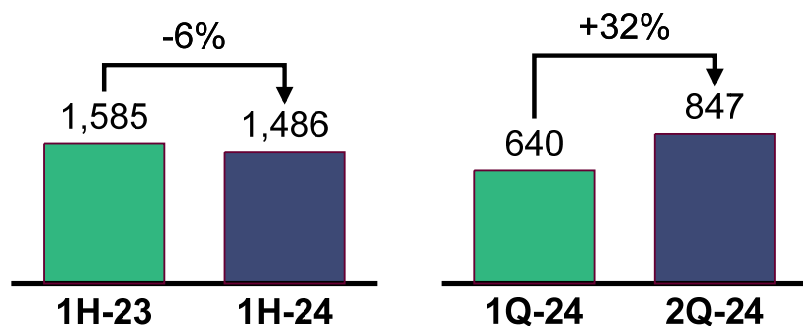


- 1H-24 vs 1H-23: Avg selling prices declined on account of subdued global demand in 1H-2024.
- 2Q-24 vs 1Q-24 : However, average selling prices have increased compared to 1Q-23, mainly linked to better market sentiments prevailed during the second quarter, which resulted in increase in realized premiums (up 16% QoQ), while LME increased marginally by 3% QoQ.



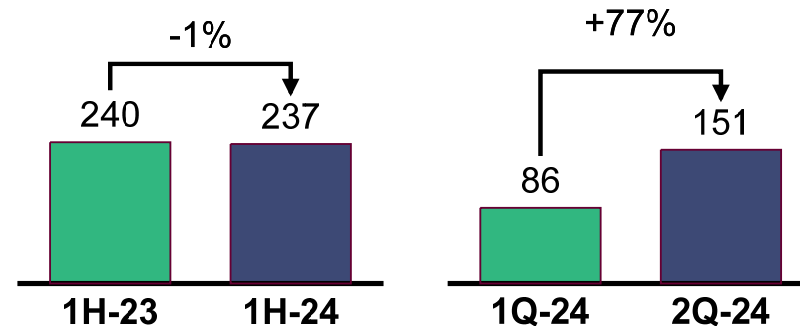
Financial Performance Review

Share of Revenue (QR million)



- 1H-24 vs 1H-23: Share of JV's revenue declined, mainly due to lower avg realized selling price which was partially offset by slight increase in sales volume.
- 2Q-24 vs 1Q-24: Share of JV's revenue increased mainly on account of increase in sales volume and higher selling prices realized in 2Q-24, in comparison to the previous quarter.

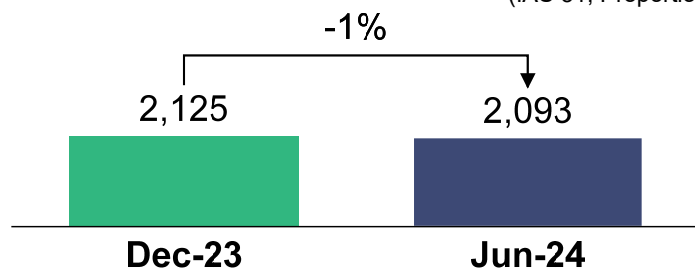
Net Profit (QR million)



- 1H-24 vs 1H-23: Profitability declined marginally due to the impact of lower selling price, which was partially offset by relatively lower cost of production and reduced SG&A expenses and favorable inventory changes.
- 2Q-24 vs 1Q-24: Net profits increased mainly driven by double digit growth in sales volume while average selling prices also increased modestly compared to the previous quarter.

Share of JV's Total Debt (QR million)

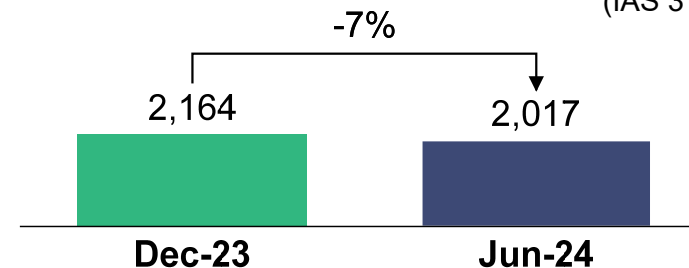
(IAS 31, Proportionate)



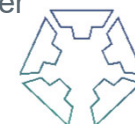
Share of debt as of 30 June 2024 slightly reduced compared to 31 December 2023, on account of net repayments on QAMCO JV's loan facility.

Closing Cash (QR million)

(IAS 31)

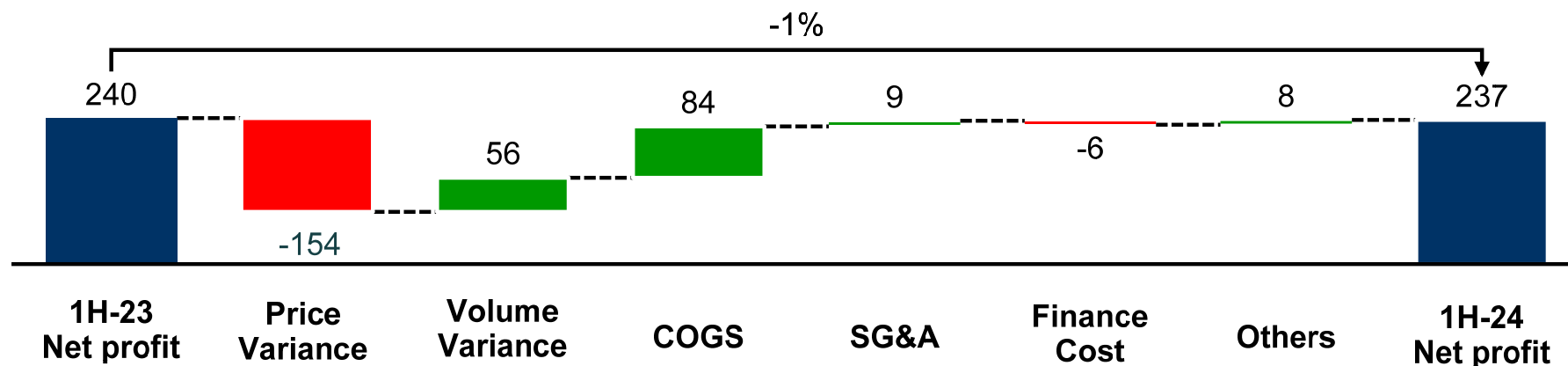


Closing cash including share of cash in QAMCO JV as of 30 June 2024 declined by 7% compared to December 2023, after net repayments on the QAMCO JV's loan facility, lower cashflow at JV level and 2023 dividend payment.



Net Profit Variance Analysis : 1H-24 vs 1H-23

(Amounts in QR' million)



QAMCO reported a net profit of **QR 237 million**, a marginal decline in profitability by 1% compared to last year.

QAMCO's 1H-24 results were impacted by JV's performance mainly due to:

▶ **Unfavorable movements**

- Lower average realized prices (down 9% YoY), mainly arising from reduced premiums;
- Higher finance cost due to increased floating lending rates, linked to overall hike in global interest rates.

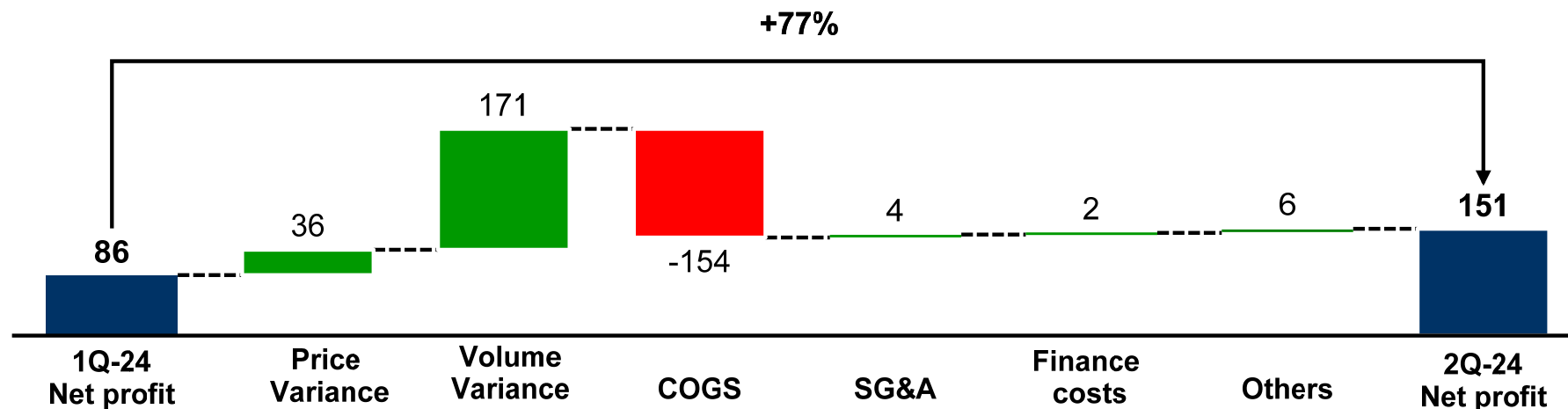
▶ **Favorable movements**

- Lower cost of goods sold, mainly on account of relatively lower raw material costs and favorable inventory movements;
- Higher sales volumes (up 4% YoY)
- Lower selling & distribution cost on account of lower marketing fee and logistics;
- Higher Head Office finance income.



Net Profit Variance Analysis : 2Q-24 vs 1Q-24

(Amounts in QR' million)



QAMCO reported a robust increase in net profit of **QR 151 million** in 2Q-24, an increase of 77% compared to 1Q-24.

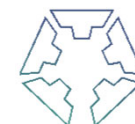
QAMCO's 2Q-24 results were impacted by JV's performance mainly due to:

▶ Favorable movements

- Higher sales volumes of Extrusion Ingots and Foundry Alloys – both having double digit growth in volumes in comparison to the previous quarter.
- Higher average realized prices (up 4% QoQ).
- Higher head office income (included in “Others”).

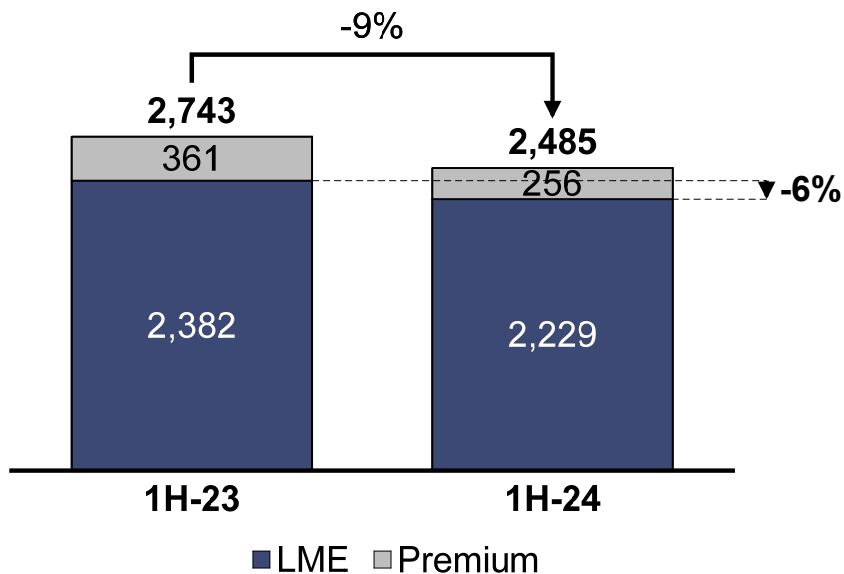
▶ Unfavorable movements

- COGS remained intact with Alumina prices remaining comparatively higher than the previous quarter.



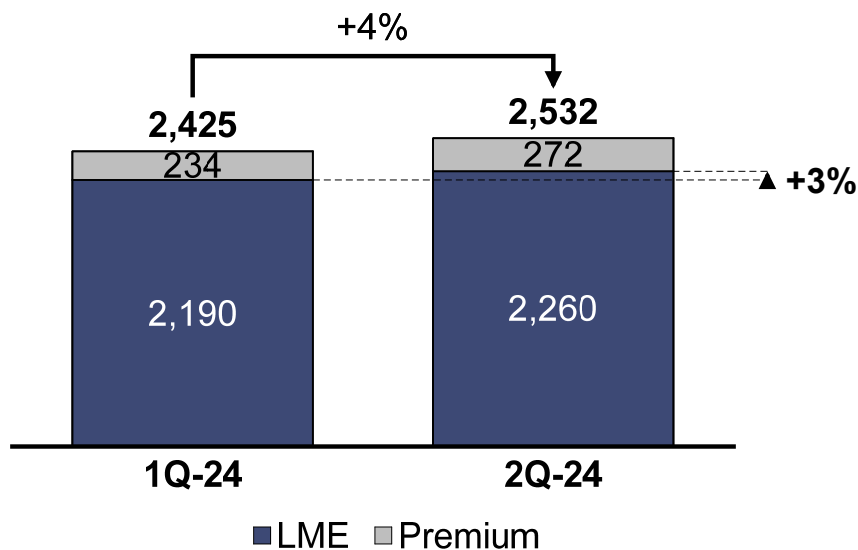
Analysis of Average Selling Prices

Selling prices (\$/MT) – 1H-24 vs 1H-23

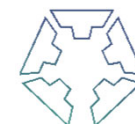


- YoY: Average selling prices declined compared to 1H-23 due to persistent macroeconomic headwinds affecting LME prices and Premiums.
- LME Premiums declined mainly due to a negative macroeconomic environment weighing on the global aluminium markets.

Selling prices (\$/MT) – 2Q-24 vs 1Q-24

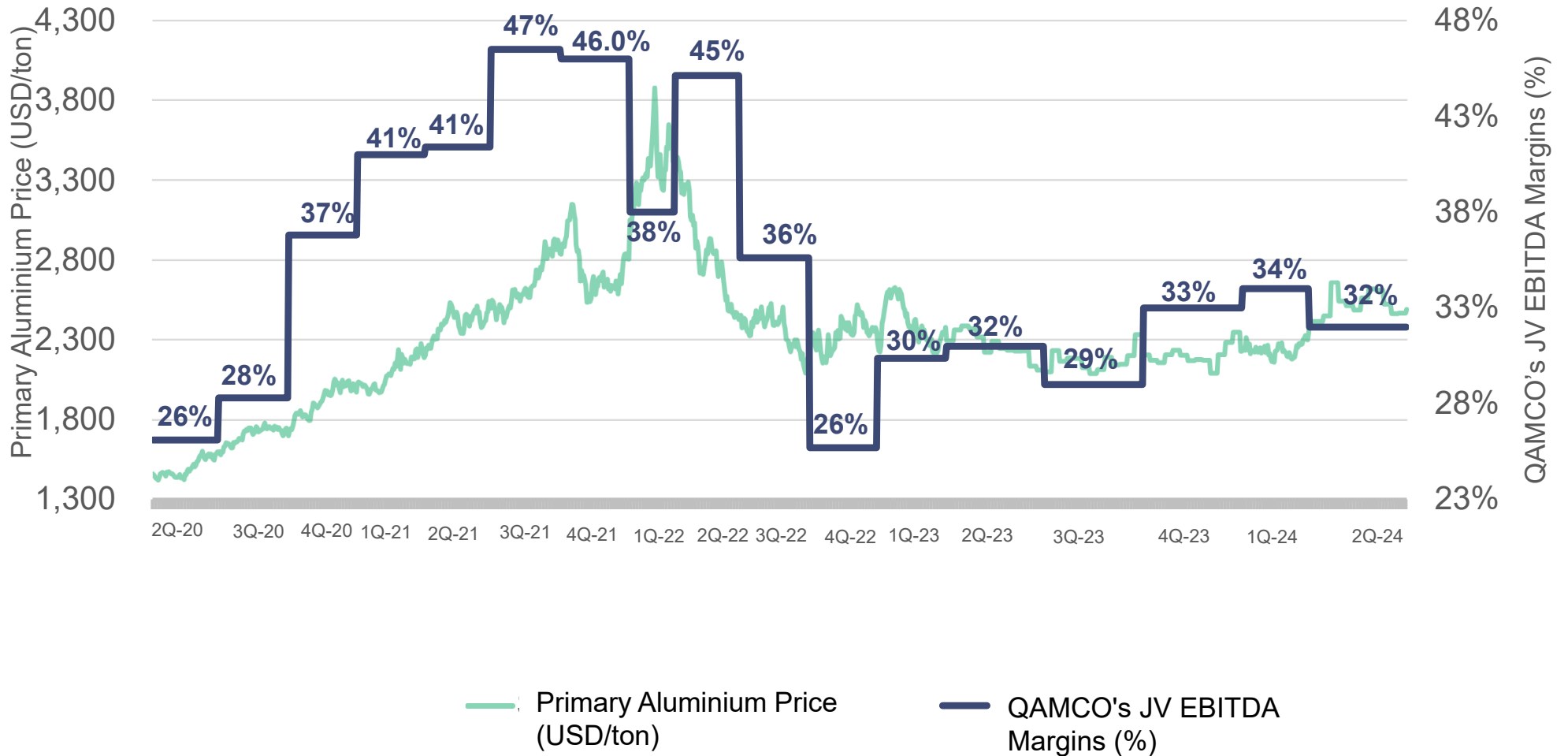


- QoQ: Average selling prices increased compared to the previous quarter largely owing to increase in realized premiums (up 16% QoQ), while LME increased marginally by 3% QoQ.
- LME premiums increased mainly owing to an improved macroeconomic environment.



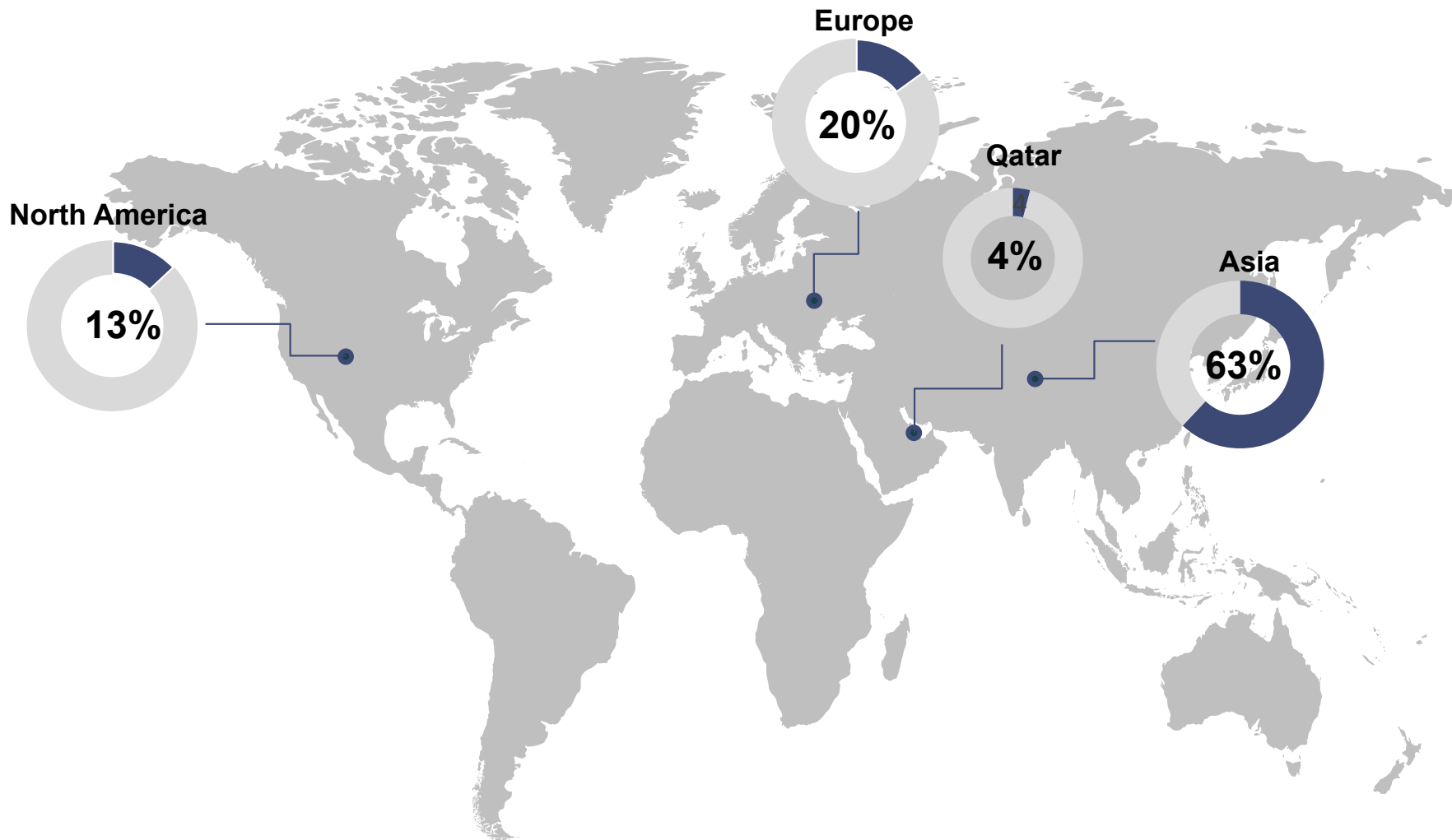
Analysis of EBITDA Margins

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



Geographic Analysis – QAMCO JV Revenue

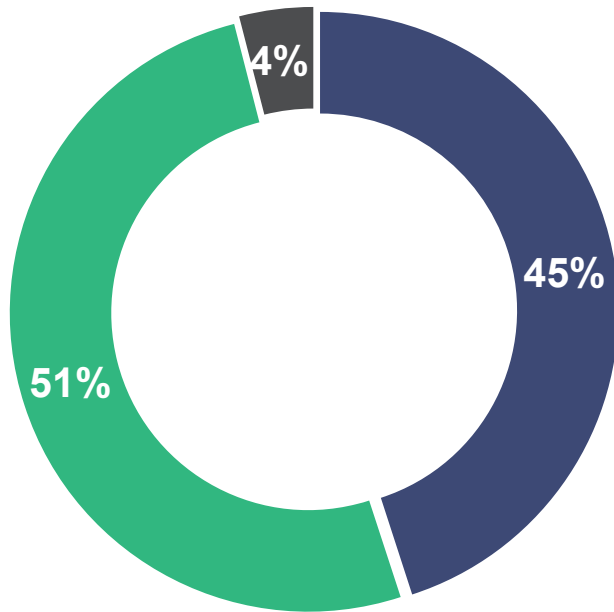
Asia remained QAMCO JV's largest market, while its presence in Europe and US continued to be substantial



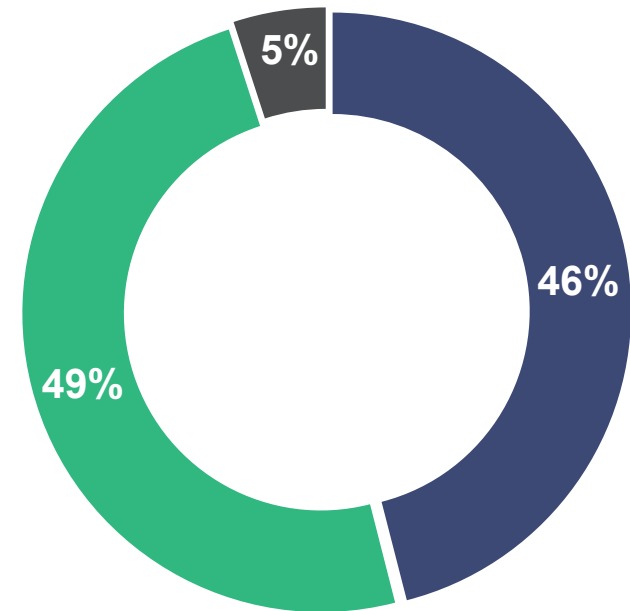
QAMCO JV Volumes – Product Mix (%)

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

**1H-24 QAMCO JV Sales
Volumes – Product mix (%)**



**1H-23 QAMCO JV Sales
Volumes – Product mix (%)**



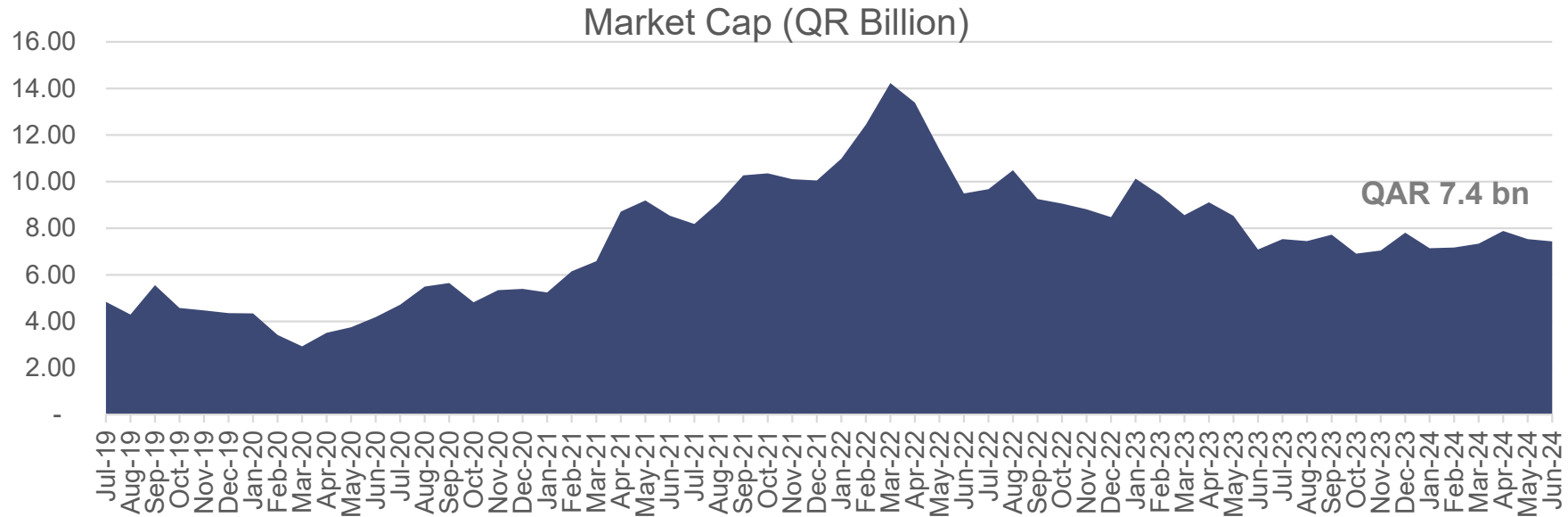
■ Extrusion Ingots ■ Foundry Alloys ■ Standard Ingots & precision tubes



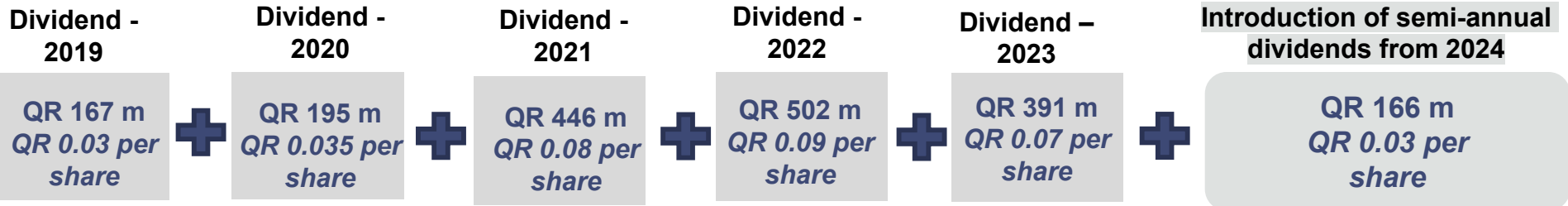


Market Statistics and dividend distribution

Market Statistics and Dividends



Dividend distribution since incorporation



- On **6th August 2024**, the Board decided to distribute semi-annual dividends to the shareholders, inline with applicable regulations.
- The total dividends paid from the date of incorporation amounted to QR **1.7 billion** representing a payout of **30.5%** of the nominal value of the shares. (excluding semi-annual dividend for FY24, until such dividend is paid inline with applicable regulations)





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.

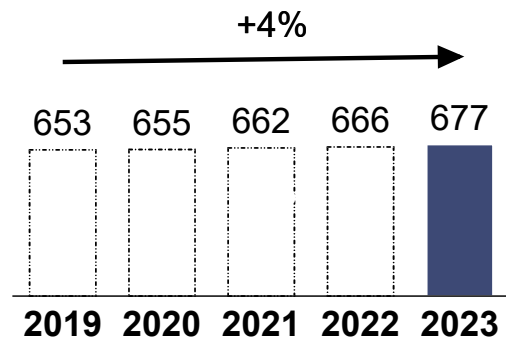




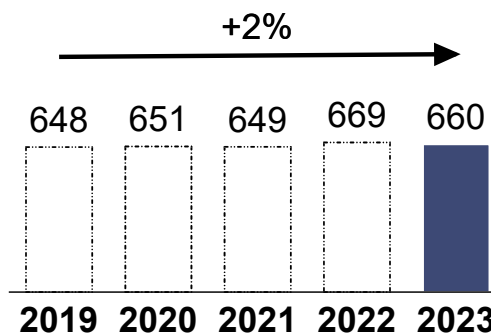
Historical performance (2019 - 2023)

Key Performance Indicators

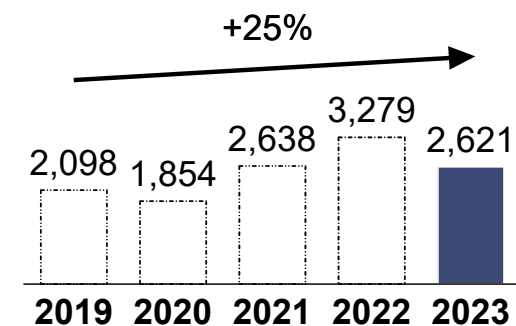
Production (MT'000) – 100%



Sales Volumes (MT'000) – 100%

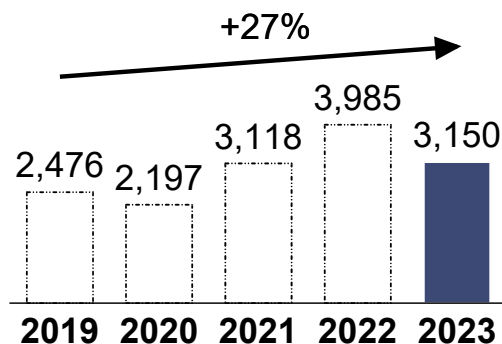


Selling Prices (\$ / MT)

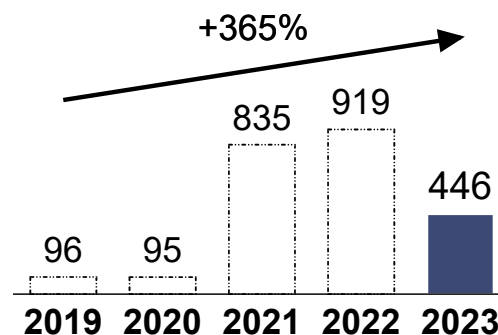


- 2023 Production remained highest since QAMCO's incorporation.
- 2023 Selling price fluctuated amid challenging macroeconomic context.

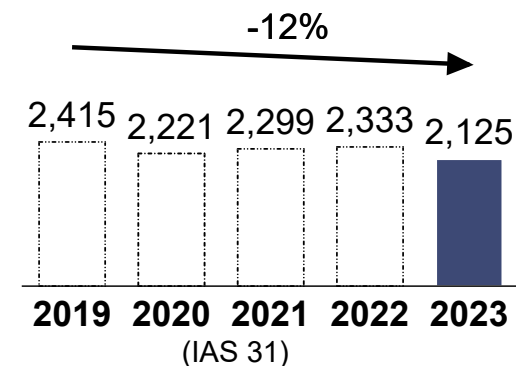
Share of Revenue (QR million)



QAMCO's Net Profit (QR million)



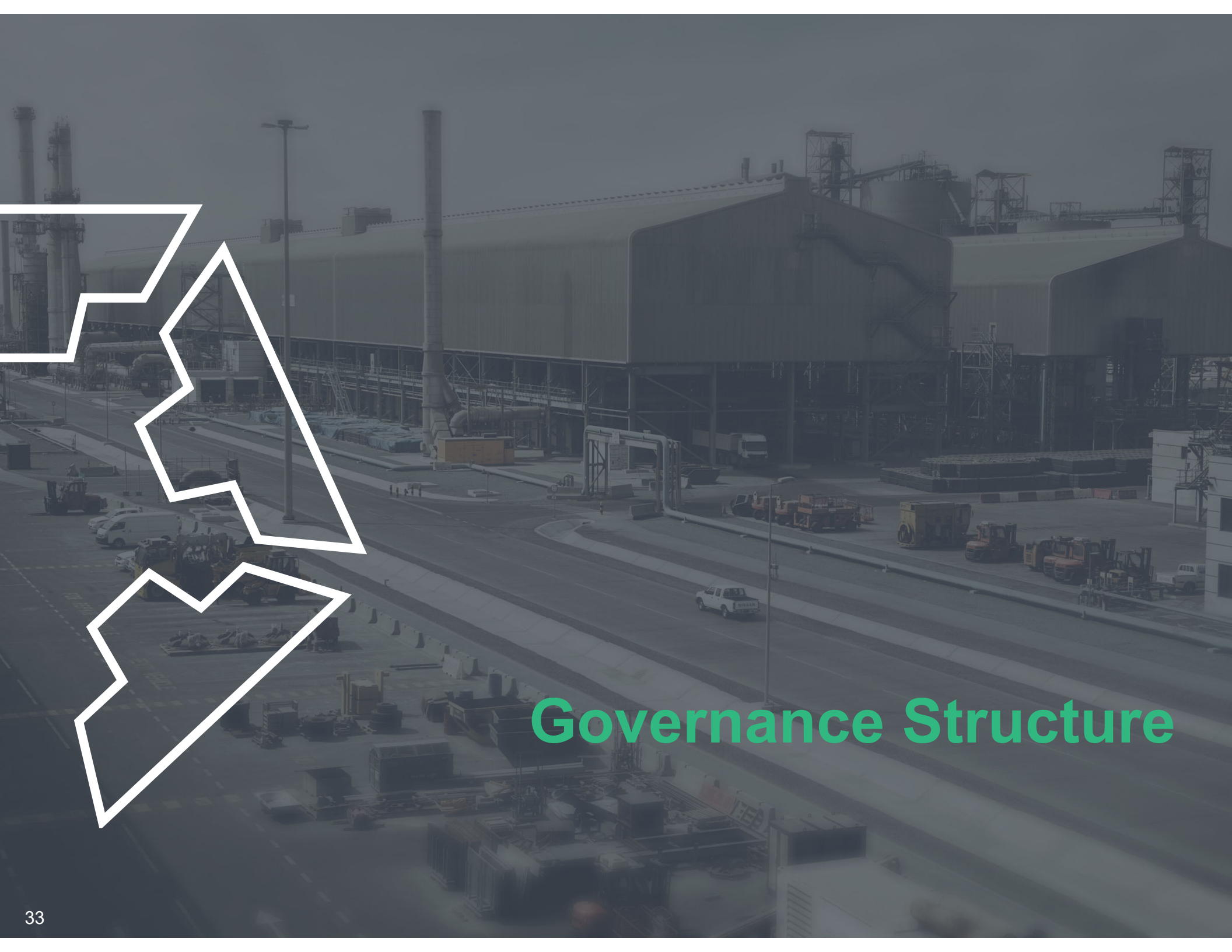
Share of JV's Debt (QR million)



- 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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Fax: (+974) 4013 9750

E-mail: gamco.investorrelations@gataenergy.qa or
gamco@gataenergy.qa

Address: P. O. Box 3212, Doha, State of Qatar.

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



QAMCO

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Qatar Aluminium Manufacturing Company