

FOR IMMEDIATE RELEASE

## **QAMCO reports a net profit of QR 835 million for the financial year ended 31 December 2021**

*Board of Directors recommends a cash dividend of QR 0.08 per share, equating to a payout ratio of 53% of net earnings for 2021*

- *QAMCO sets a record with highest yearly and quarterly net income, since incorporation, while benefitting from constructive macroeconomic drivers*
- *QAMCO's share of revenue from the JV for the year ended 31 December 2021 amounted to QR 3.12 billion*
- *QAMCO's share of EBITDA from the JV reached QR 1.37 billion for the year ended 31 December 2021, with an outstanding EBTIDA margin of 44.1%*
- *Earnings per share amounted to QR 0.15 for the year ended 31 December 2021*
- *Robust cash position with QAMCO's closing cash balance (including share of cash in QAMCO's JV) at QAR 1.54 billion*

**Doha, Qatar; 3 February 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 835 million for the year ended 31 December 2021, with an earnings per share (EPS) of QR 0.15.

Commenting on the financial and operational performance for the year ended 31 December 2021, **Mr. Abdulrahman Ahmad Al-Shaibi, Chairman of the Board of Directors, QAMCO**, said:

*"The main highlight of 2021 was a sequential macroeconomic recovery leading to strong price trajectories for primary aluminium, operational excellence along with good business management in the continuing COVID-19 situation, which resulted in an improved set of financial results since QAMCO's incorporation. While macroeconomic sentiments remained positive, we continued to focus on operational excellence, safety, flexibility and sustainability. Our firm belief and commitment to HSE has successfully positioned our JV to meet our health, environment and social responsibility targets. Going forward, our competitive strengths coupled with our operational excellence, would position us better for our long-term goals."*

### Macroeconomic overview

Prices of aluminium continue to show strength on the back of renewed global demand, with sectors such as construction and automotive industries witnessing growth, as global economies sequentially recovered linked to market reopening and accelerated GDP growth. Aluminium being a key input for electric vehicles (EVs), wind turbines and solar power, brings an additional layer of long-term demand for primary aluminium.

As the power crisis in major markets became more acute coupled with aggressive decarbonization linked policy cuts has affected aluminium capacities aiding accelerated inventory depletion. On overall basis, while demand remained buoyant with limited supply, primary aluminium prices reached multi-year high and led to improved margins for low-cost producers.

### Financial performance updates – YE-21 vs YE-20

Key financial indicators	YE-21	YE-20	Variance (%)
Share of JV's revenue (QR' million)	3,118	2,197	+42%
Share of JV's EBITDA (QR' million)	1,374	667	+106%
Net profit (QR' million)	835	95	+781%
EBITDA margin (%)	44.1%	30.4%	--
Earnings per share (QR per share)	0.15	0.017	

QAMCO recorded a net profit of QR 835 million for the year ended 31 December 2021, as compared to QR 95 million for last year, with an earnings per share (EPS) of QR 0.15 versus QR 0.017 for last year.

Share of revenue from the JV increased by 42% to reach QR 3,118 million as compared to QR 2,197 million for last year. EBITDA increased by 106% and reached QR 1,374 million as compared to QR 667 million for last year.

QAMCO's improved financial results in comparison to last year, were largely attributed to an overall growth in average realized selling prices which increased by 42% during 2021 versus last year, and contributed QR 932 million positively towards current year's net earnings in comparison to last year.

Production activity remained stable with volumes witnessing a marginal increase of 1% during the year. Sales volumes marginally declined by 0.4% versus last year reflecting the timing of shipment to various destinations. QAMCO's JV remained successful in realizing higher production and sales of VAP in comparison to last year. This strategic production shift, since latter part of last year has positively supported evolution of EBITDA margins for the JV.

JV's cost of goods sold for the current year were higher compared to last year, mainly on account higher raw material costs, offset by favorable inventory movements and cost optimization

initiatives. On overall basis, increase in cost of goods sold contributed QR 179 million negatively to QAMCO's net profits for the current year versus last year.

Finance cost for 2021 witnessed a decline of 32% versus last year, on account of decline in interest rates and absence of unamortized portion of financing cost being written-off last year. The decline in finance cost contributed QR 33 million positively to QAMCO's net earnings for the current year versus last year.

#### Financial performance updates – Q4-21 vs Q3-21

Key financial indicators	Q4-21	Q3-21	Variance (%)
Share of JV's revenue (QR' million)	991	774	+28%
Share of JV's EBITDA (QR' million)	456	360	+27%
Net profit (QR' million)	313	233	+34%
Earnings per share (QR per share)	0.056	0.042	+34%
EBITDA margin (%)	46.0%	46.5%	--

Compared to Q3-21, share of JV's revenue improved by 28%, while QAMCO's net profits improved by 34%. The key contributor towards this growth was a continued growth in average selling prices, on the back of supportive macroeconomic trends which echoed from the previous quarters. Average realized selling prices increased by 11% during Q4-21 versus Q3-21. Sales volumes significantly increased by 16% versus Q3-21, as more sales of extrusion and standard ingots were made during the quarter in line with the market demand.

#### Financial position updates

Key performance indicators	As at 31-Dec-21	As at 31-Dec-20	Variance (%)
Total Assets (QR' million)	6,446	5,797	+11%
Cash and bank balances (QR' million)	1,537	740	+108%
Share of JV's debt (QR' million)	2,299	2,221	+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 cash and bank balances as at the end of 31 December 2021 reaching QR 1.5 billion. QAMCO's JV generated share of operating cash flows of QR 917 million, with a share of free cash flows of QR 693 million.

#### Operational performance updates

QAMCO's JV continue to maintain efficiency and cost competitiveness in terms of its production and operations. CAPEX projects were conducted as planned for the year, and in line with the operational requirements. These CAPEX programs will support JV's drive for operational efficiency and reduce carbon footprints.

### Proposed dividend distribution

After reviewing current year's robust financial performance, with the present and forecasted liquidity position, and considering current and future macroeconomic conditions, business outlook, CAPEX, long term loan repayment plan of the Company, the Board of Directors proposed a total annual dividend distribution of QR 446 million for the year ended 31 December 2021, representing a payout ratio of 53% of current year's net earnings. A dividend of QR 0.08 per share represent 8% of par value resulting in a dividend yield of 4.4% on the closing share price as of 31 December 2021.

### Earnings Call

QAMCO will host an IR earnings call to discuss the current year's results, business outlook and other matters on Wednesday, 9<sup>th</sup> February 2022 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@qp.com.qa](mailto:gamco@qp.com.qa) or [gamco.investorrelations@qp.com.qa](mailto:gamco.investorrelations@qp.com.qa) or visit [www.gamco.com.qa](http://www.gamco.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.

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