



QAMCO

شركة قطر لصناعة الألمنيوم

Qatar Aluminium Manufacturing Company

Qatar Aluminium Manufacturing Company Investor Relations Presentation

Q3, 2019

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 group” are sometimes used for convenience in reference to Qatar Aluminium Manufacturing Company Q.P.S.C.

This report 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 group to differ materially from those expressed or as may be inferred from these statements.

There are a number of factors that could affect the realisation 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 group'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 consists of 13 months and will end in 31 December 2019. No adjustment has been made for leap years. Where applicable, all values refer to Qatar Aluminium Manufacturing Company's share. Values expressed in QR billions and percentages have been rounded to 1 decimal point. 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 • 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 • 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





About QAMCO

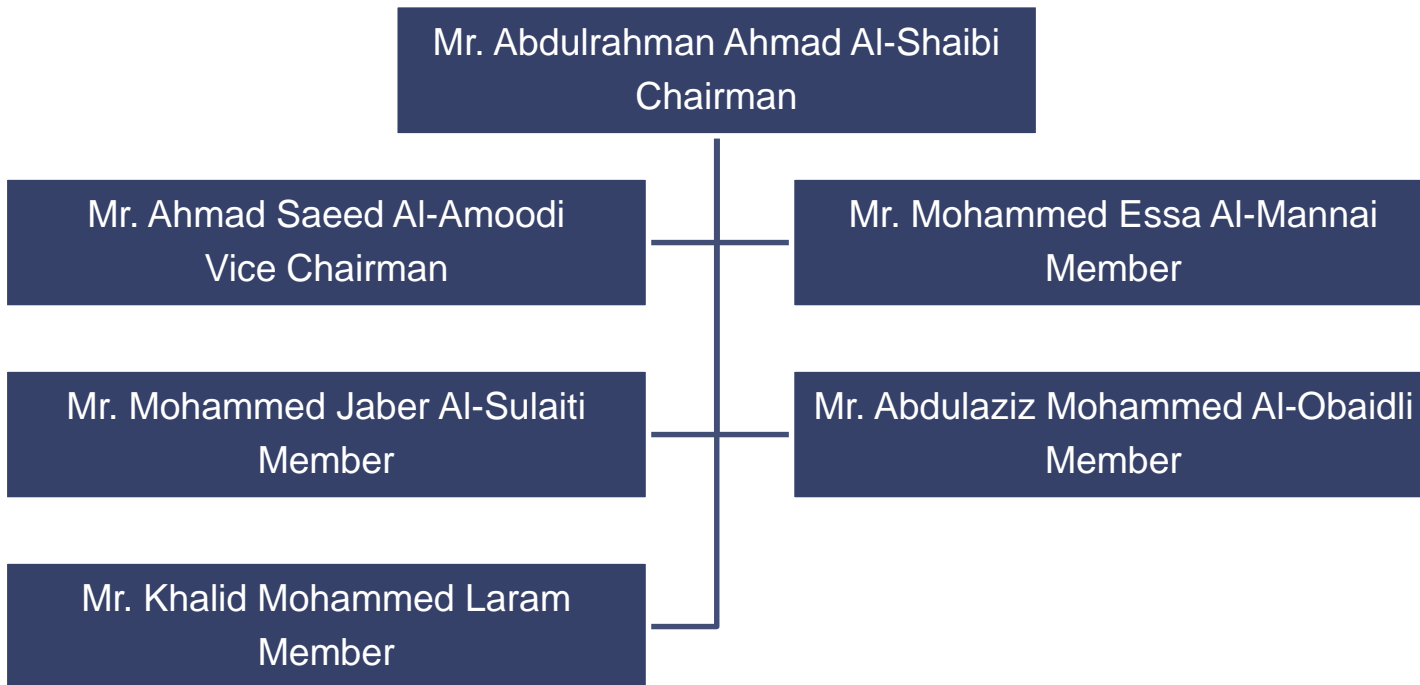
About QAMCO

- Qatar Aluminum 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), which produces about 645,000 tons per year of high-quality aluminium for customers in Asia, Europe and the United States. Its facilities include a carbon plant, port and storage facilities as well as a gas-fired power plant.
- Top Shareholders of QAMCO are: Qatar Petroleum (51%), and General Retirement and Social Insurance Authority (5%).
- The Authorized share capital is QR 5,580,120,000 divided into 5,580,119,999 ordinary Shares and one (1) Special Share. The free float consists of 49% shares, with a foreign ownership limit of the same. The maximum shareholding size per shareholder is 2%;
- Qatar Petroleum 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.

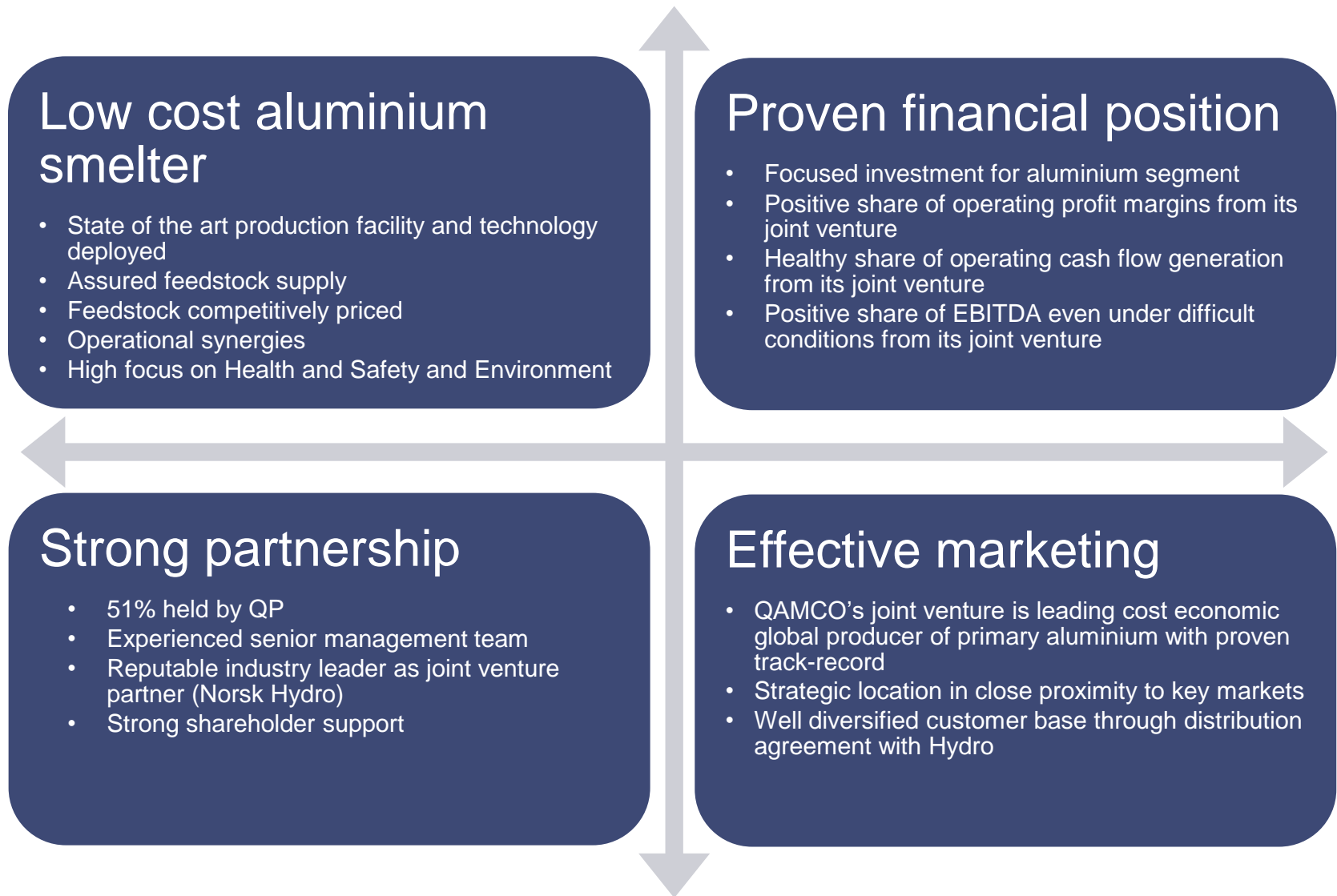


About QAMCO

- QAMCO Board of Directors consist of:



Competitive Advantages





Governance Structure

Governance Structure

Board structure

- QAMCO Board of Directors consists of six (6) Directors, all were appointed by the Special Shareholder “Qatar Petroleum”. QP 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 Qatar Petroleum 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 senior Executive Management, the Audit Committee and the Board of Directors.

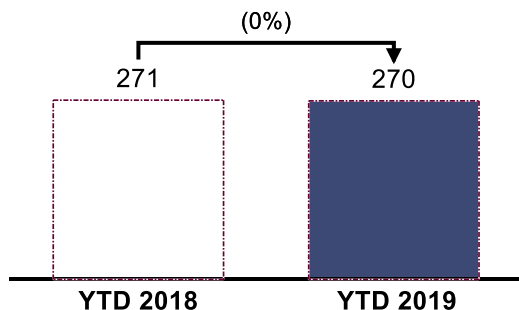




Results at glance

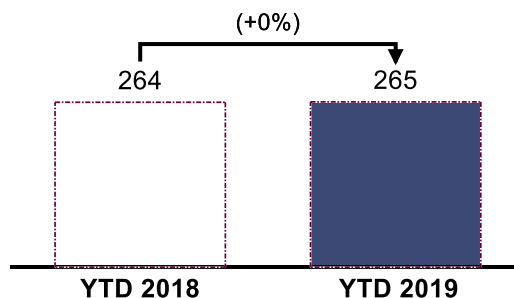
Key Performance Indicators (Dec 2018 to Sep 2019 - QAMCO share in JV)

Production (MT'000)



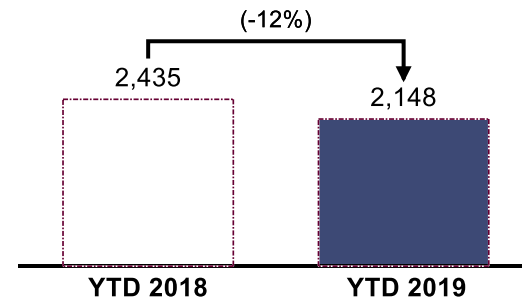
Production remained **flat** compared to the same period of last year.

Sales Volumes (MT'000)



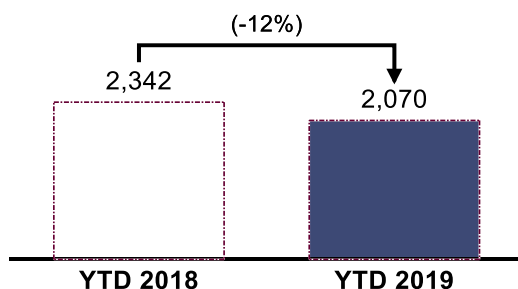
Sales volumes were marginally higher in comparison to last year.

Selling Prices (\$ / MT)



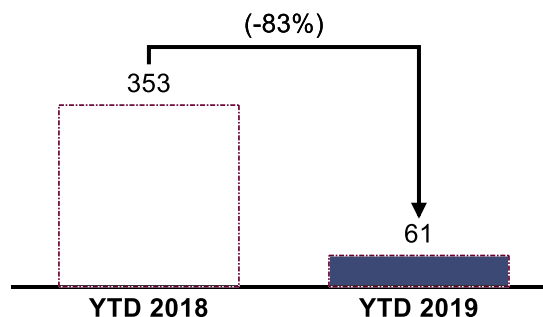
Selling prices down by **12%** on last year, due to the combined effect of lower demand and higher supplies.

Share of Revenue (QR million)



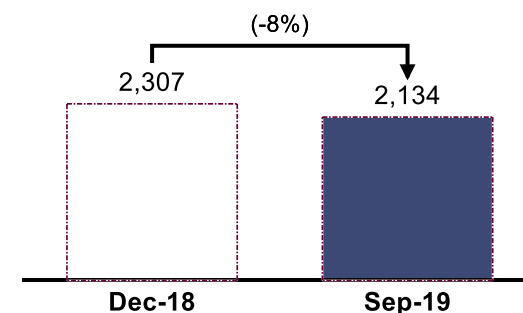
Revenue of **QR 2.1 billion**, down by 12% compared to last year. • Revenues are lower purely due to the effect of lower prices compared to last year, whereas the sales volume remained flat compared to the last year.

QAMCO's Net Profit (QR million)



Net profit **QR 61 million**, down on last year by 83% • Decline in net profit is due to a combination of factors including lower revenues, impairment loss and increased financing costs.

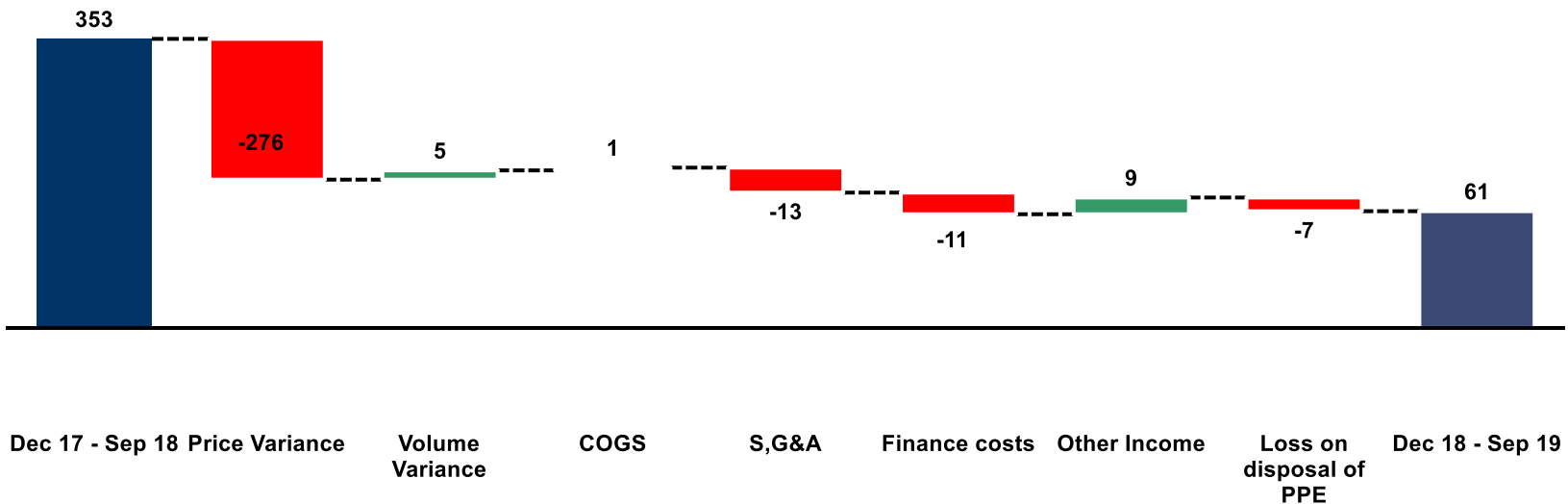
Net Cash / Net Debt (QR million)



Net Debt of **QR 2.1 billion**, decreased by 8% due to decrease in cash balance on account of debt repayment during the period and dividend distribution in 2019 pertaining to 2018 • QAMCO's share of total debt is QR 2.4 billion as of 30 Sep 2019.



QAMCO - Performance Break-Down (for the period December to September)



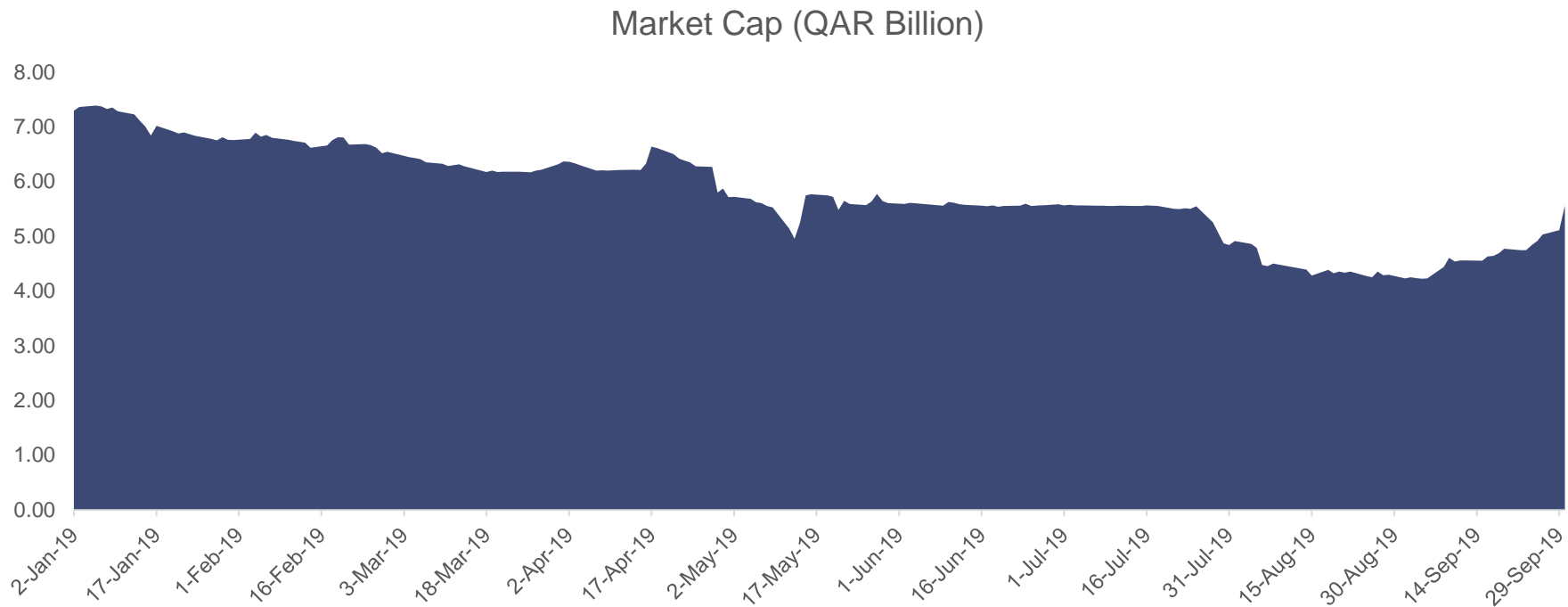
- QAMCO reported a net profit of **QR 61 million** for the ten months period ended 30 September 2019 with earnings per share of **QR 0.011** (after the split of QAMCO's shares).
- Results affected by Joint Venture performance due to:
 - a) lower products' selling price: prices down by **12%** on last year.
 - b) high cost: COGS did not move inline with selling prices due to adverse inventory movement and energy consumption.
 - c) higher finance costs: capitalization of leases as per IFRS 16.
 - d) loss on one-off impairment due to write-off pertaining to steam turbines and conveyor belt due to their overhaul.





Market Statistics

Market Statistics



- QAMCO distributed cash dividends totaling of **QR 111.6 million** in May 2019, equivalent to **QR 0.20** per share (not taking into account the mandatory QFMA stock split during July 2019) ;
- The average daily traded value of QAMCO share during Q3 amounted to QR **4.4 million**.



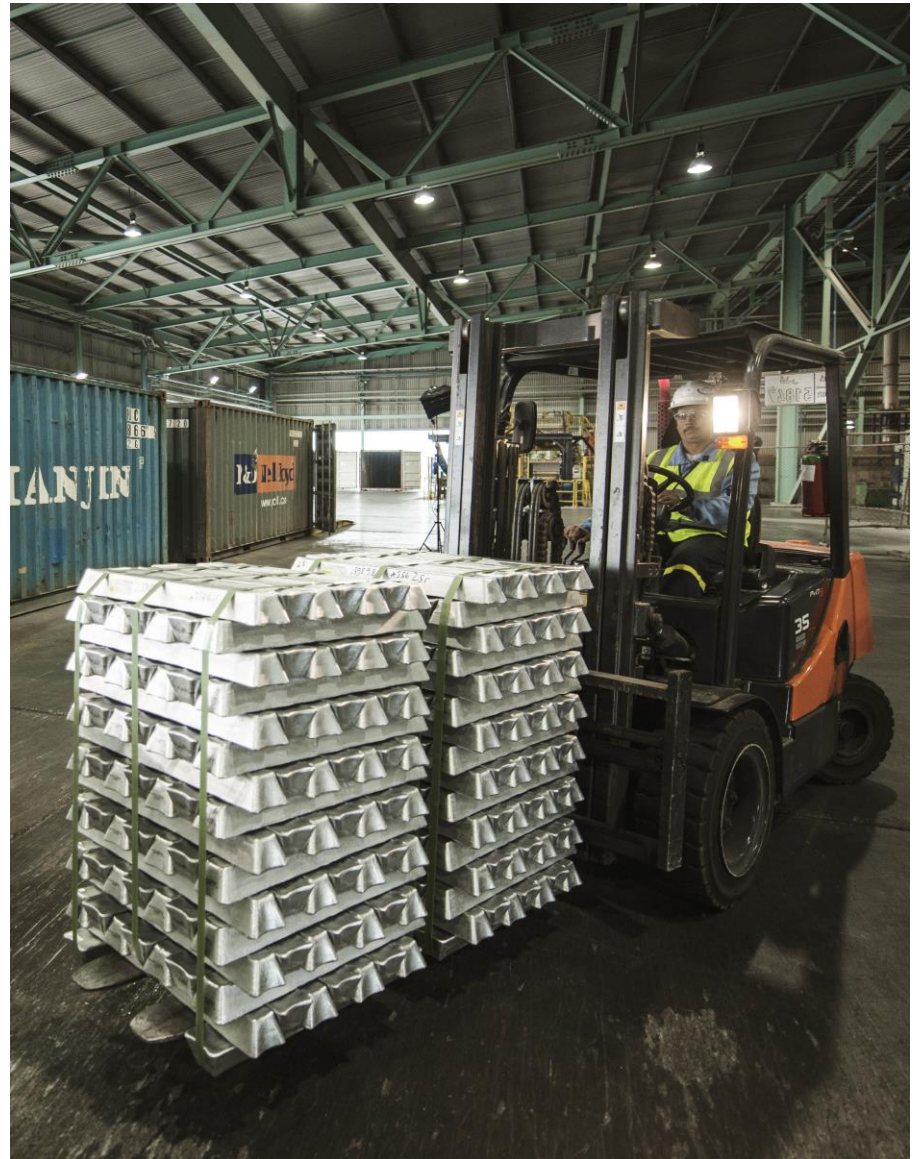


Operations of Joint Venture



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 a first quartile cost position, one of the industry's highest profit margins and strong cash flow generation.
- Qatar Aluminium (Qatalum) had 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 1350 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 product's. 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.



CAPEX and Cash Flows (2019-2023) – (QAMCO's Share)

CAPEX:

- Cumulative share of CAPEX of QR 1.2 billion (~USD 331 million), mainly pertaining to pot relining and capital spares.
- Pot relining to commence from 2020, reach its peak during 2021 and 2022 and expected to be complete by 2023.

CAPITAL EXPENDITURE (in QR Million)

	2019	2020	2021	2022	2023	Total
Pot relining, Capital Spares & Others	141	162	339	370	194	1,205

Cash Flows:

- Impressive cash flows from operations, provided sales prices are realized in line with 2018.
- No draw down of additional loans during the business plan period 2019-2023.

CASH FLOWS (in QR Million)

	2019	2020	2021	2022	2023
Cash Flows:					
- Operating	874	1,017	964	787	817
- Investing	-141	-162	-339	-370	-194
- Financing	-739	-893	-507	-447	-594
FCF	733	855	625	417	623



THANK YOU



QAMCO

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