

## **QAMCO posts a net profit of QR 86 million for the three-month period ended 31 March 2024**

- *QAMCO's share of revenue from the JV amounted to QR 640 million for the three-month period ended 31 March 2024*
- *QAMCO's share of EBITDA from the JV stood at QR 220 million, with an EBITDA margin of 34%*
- *Earnings per share amounted to QR 0.015 for the three-month period ended 31 March 2024*
- *1Q-24 prices declined versus 1Q-23, and 4Q-23 amid macroeconomic headwinds*
- *QAMCO's closing cash balance (including share of cash in QAMCO's JV) stood at QAR 1.8 billion.*

**Doha, Qatar; 30<sup>th</sup> April 2024:** 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 86 million for the three-month period ended 31 March 2024, with an earnings per share (EPS) of QR 0.015.

### **Updates on macroeconomic environment**

During the first quarter of 2024, the macroeconomic context for the aluminum markets continued to remain volatile. Several factors affected the commodity markets, which cascaded down to the supply-demand dynamics of primary aluminum and led to volatilities in the prices.

The demand for primary aluminum in key global markets has been significantly constrained by challenging macro-economic environment with consistent inflationary pressure inflation and heightened interest rates. These challenging macro-economic factors have led to a marked reduction in demand, especially within crucial industries such as building and construction. The investment climate in these sectors has notably weakened as financial conditions remained tighten. Despite these setbacks, some positive development is the gradual recovery in the automotive sector. This resurgence is aiding to mitigate the negative impacts on overall aluminum demand.

On an overall basis, aluminum prices for 1Q-24 demonstrated declining trends versus 1Q-23, and 4Q-23, amid macroeconomic headwinds.

### Financial performance updates – 1Q-24 vs 1Q-23

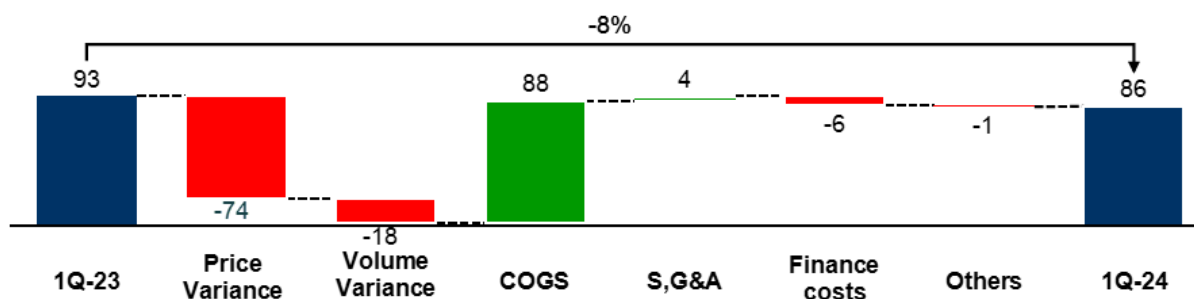
Key financial indicators	1Q-24	1Q-23	Variance (%)
Production volumes (MT' 000) – 100%	170	168	+1%
Sales volumes (MT' 000) – 100%	145	149	-3%
Share of JV's revenue (QR' million)	640	736	-13%
Share of JV's EBITDA (QR' million)	220	223	-2%
Net profit (QR' million)	86	93	-8%
Earnings per share (QR per share)	0.015	0.017	-12%
EBITDA margin (%)	34%	30%	+4
Realized average selling prices (USD/MT)	2,423	2,704	-10%

QAMCO reported a net profit of QR 86 million for the three-month period ended 31 March 2024, as compared to QR 93 million for the same period of last year, with an earnings per share (EPS) of QR 0.015 versus QR 0.017 for 1Q-23.

Share of JV's revenue declined by 13% to reach QR 640 million for the current period, as compared to QR 736 million for 1Q-23. EBITDA declined by 2% and reached QR 220 million in comparison to QR 223 million for the same period of last year. However, EBITDA margin for 1Q-24 improved to 34% compared to 30% for 1Q-23.

### Analysis of QAMCO's net earnings - 1Q-24 vs 1Q-23

(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 and sales volumes, partially offset by improved operating costs.

Average realized selling price witnessed a decline of 10% during 1Q-24 versus 1Q-23 to reach USD 2,423/MT amid macroeconomic headwinds and impacted QR 74 million to the net profit for three-month period ended 31 March 2024 versus the same period of last year. Additionally, financial results were impacted by lower sales volumes amid on-going geo-political uncertainty. Sales volumes declined by 3% versus 1Q-23, due to relatively lower sales of extrusion ingots versus last year due to lower demand and lag time due to Red Sea crisis. This was partially offset by higher sales of foundry alloys supported by the recovery in automotive sector. Decline in sales

volumes impacted QR 18 million to the net profit for three-month period ended 31 March 2024 versus 1Q-23.

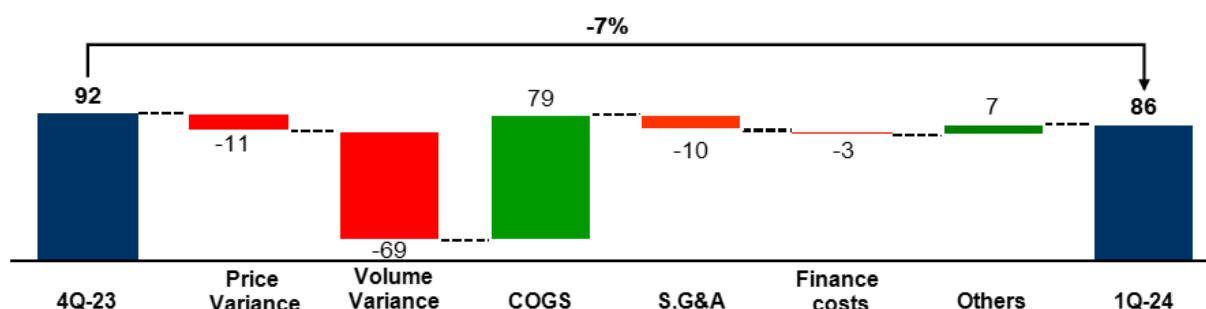
Production levels slightly inched higher with an increase of 1% was noted in the production volumes for the current period versus 1Q-23 driven by stable current efficiency, and improved amperage.

Cost of goods sold for the current period declined versus the same period of last year, mainly on account of lower raw material costs and favorable inventory changes amid lower sales volumes. On overall basis, the decline in cost of goods sold contributed QR 88 million positively to the net profits for the three-month period ended 31 March 2024 versus same period of last year.

**Financial performance updates – 1Q-24 vs 4Q-23**

Key financial indicators	1Q-24	4Q-23	Variance (%)
Production volumes (MT' 000) – 100%	170	171	-1%
Sales volumes (MT' 000) – 100%	145	160	-10%
Share of JV's revenue (QR' million)	640	720	-11%
Share of JV's EBITDA (QR' million)	220	234	-6%
Net profit (QR' million)	86	92	-7%
Earnings per share (QR per share)	0.015	0.017	-12%
EBITDA margin (%)	34%	33%	+1%
Realized average selling prices (USD/MT)	2,423	2,469	-2%

*Analysis of QAMCO's net earnings - 1Q-24 vs 4Q-23*



Compared to 4Q-23, QAMCO's net profits for 1Q-24 declined by 7%. A key contributor towards this negative movement in profitability was due to lower sales volumes reported during 1Q-24 versus 4Q-23, which declined by 10% on quarter-on-quarter basis amid on-going geo-political uncertainty together timing of shipments, and subdued demand. This decline in sales volumes contributed QR 69 million negatively to the bottom-line profitability for three-month period ended 31 March 2024 versus 4Q-23. Selling prices on the other hand also witnessed a marginal reduction versus 4Q-23, on account of subdued global demand and tough market condition.

On the contrary, net earnings were positively impacted due to lower cost of goods sold reported during 1Q-24 versus 4Q-23, mainly linked to favorable inventory movements on account of lower sales volumes reported during 1Q-24. This decline in cost of goods sold contributed QR 79 million positively to the bottom-line profitability on a quarter-on-quarter basis.

### Financial position updates

Key performance indicators	As at 31-Mar-24	As at 31-Dec-23	Variance (%)
Total Assets (QR' million)	6,562	6,872	-5%
Cash and bank balances (QR' million) *	1,780	2,164	-18%
Share of JV's debt (QR' million)	2,087	2,081	-2%

\*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 2024 reaching QR 1.8 billion in form of cash and bank balances (including proportionate share of cash and bank balances of the joint venture) after paying 2023 dividend of QR 391 million. During the period, QAMCO's JV generated share of operating cash flows of QR 140 million, with a share of free cash flows of QR 54 million.

### Operational performance updates

QAMCO's JV has continuously demonstrated ongoing commitment to maintaining high efficiency and cost competitiveness in its production and operations. The prioritization of health and safety measures underscores its dedication to ensuring both the well-being of its workforce and the reliability, and integrity of its assets. Moreover, executing CAPEX projects as planned and in alignment with operational requirements showcases strategic foresight and resource management. Through its focus on operational excellence, health and safety, and strategic investments, QAMCO's JV is well-positioned for sustained success in its industry.

### Earnings Call

QAMCO will host an IR earnings call with investors to discuss its results for 1Q-24, business outlook and other matters, on Thursday, 2<sup>nd</sup> May 2024 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](mailto:gamco@qatarenergy.qa) or [gamco.investorrelations@qatarenergy.qa](mailto:gamco.investorrelations@qatarenergy.qa) or visit [www.qamco.com.qa](http://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. 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