

QAMCO posts net profit of QR 5.2 million for the seven-month period ended 30 June 2019

Doha, Qatar • 25 July 2019 – Qatar Aluminium Manufacturing Company Q.P.S.C. (QAMCO; QE: QAMC), a 50% shareholder in Qatalum, a successful producer of primary Aluminium and one of the most efficient Aluminium smelters in the region, announced its financial results for the seven-month period ended 30 June 2019 with net profit of QR 5.2 million. These results predominantly represent the share of net profit in QAMCO's joint venture, Qatalum.

Financial results

QAMCO reported net profit of QR 5.2 million for the seven-month period ended 30 June 2019, with earnings per share of QR 0.001 (after the split of QAMCO's shares). QAMCO's share of EBITDA in Qatalum for the period ended 30 June 2019 amounted to QR 375.2 million.

The aluminium industry is cyclical in nature and highly influenced by the recent trade restrictions imposed by some developed economies, impacting its supply and demand dynamics. During the six-month period ended 30 June 2019, the aluminium industry faced bearish economic sentiment which resulted in a drop in the realized selling prices by 10% compared to the previous year, directly affecting the performance of the company. Qatalum continued to gain from its strategic partner, Norsk Hydro ASA, and maintained its position to market and sell all of its produced products and compete with international suppliers for the period. Hence, Qatalum's sales volumes increased by 2% for the six-month period from January to June 2019, compared to the same period of 2018. Nevertheless, from the

beginning of 2019, Qatalum witnessed gradual improvement in operating costs due to lower raw material costs and fixed costs. Alumina prices, a primary raw material, did not drop as much as the finished products' selling prices.

During the second quarter, Qatalum has recognized a one-off impairment loss due to major overhaul of its steam turbines. QAMCO's share of the recognition amounted to QR 13 million, which resulted in a corresponding share of power import costs that amounted to QR 8 million, which primarily affected the profitability for the second quarter, apart from the continued decline in selling prices.

QAMCO's share of total assets in Qatalum as at 30 June 2019 stands at QR 8 billion, with share of cash and bank balances amounting to QR 348.7 million. QAMCO's share of net assets as at 30 June 2019 is QR 4.7 billion. QAMCO's closing net cash and bank balance amounts to QR 78.8 million after distribution of interim dividends to its shareholders amounting to QR 111.6 million on 5 May 2019.

Performance improvement efforts

With an objective of maximizing value to its shareholders, QAMCO is working closely with its joint venture, Qatalum, in a number of areas of value improvements. This includes cost and supply chain optimization, revenue enhancements, efficiency improvements and capital allocation. These efforts ensure that Qatalum will continue to maintain its position as one of the world's low cost aluminium smelters.

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For more information about this press release, email gamco@qp.com.qa or visit 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.

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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 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 consists of 13 months from 1 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 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

Qatar Aluminum Manufacturing Company Q.P.S.C. (QAMCO) was incorporated as a Qatari shareholding company on 3 December 2018. 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.

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