

FOR IMMEDIATE RELEASE

## Industries Qatar posts a net profit of QR 3.5 billion for the nine-month period ended 30 September 2024

- 9M-24 results moderately up on previous year on improved operating costs.
- Group operations continued to remain robust amid routine maintenance shutdowns, with average reliability factor remained around 97%.
- Earnings per share (EPS) of QR 0.58 for 9M-24 compared to QR 0.54 for 9M-23.
- Group's liquidity continues to remain robust with a total cash and bank balances of QR 11.3 billion, after paying full 2023 dividend of QR 4.7 billion and 2024 interim dividend of QR 1.9 billion.

**Doha, Qatar; 29 October 2024:** Industries Qatar ("IQ" or "the Group"; QE Ticker: IQCD), today reported a net profit of QR 3.5 billion for the nine-month period ended 30 September 2024, representing an increase of 7% compared to the same period of last year.

### Updates on macroeconomic environment

Global economic growth is encountering challenges due to the lingering effects of tight monetary policies aimed at combating inflation. Although some central banks have started easing interest rates, the prolonged period of high rates continues to suppress industrial activities, particularly in advanced economies, and did not allow them to fully recover from the macroeconomic troughs. This has resulted in subdued global industrial production growth, with regional variations reflecting differing economic conditions. The regional instability also did not fully support the macroeconomic stabilization.

In the petrochemical sector, producers face notable hurdles due to accumulation of capacity expansion, especially in China, and relatively higher energy costs in Europe. These factors have led to depressed margins and necessitated consolidation and capacity rationalization among some companies. The outlook remains uncertain, with lower industrial production growth and consumption rates affecting supply-demand dynamics. For nitrogen-based fertilizers, urea prices have shown resilience and remained relatively stable due to tight global supply and steady demand. Meanwhile, the steel industry continues to struggle with overcapacity and muted demand both internationally and regionally, further exacerbated by high interest rates and slow growth in the construction sector globally.

### Operational performance updates

Key performance indicators	9M-24	9M-23	Var (%) [9M-24 vs. 9M-23]	3Q-24	2Q-24	Var (%) [3Q-24 vs. 2Q-24]
Production (MT' million)	12.8	12.7	+1%	4.3	4.1	+5%
Utilization rates (%)	99%	101%	-	99%	94%	--
Average reliability factor (%)	97%	98%	-	99%	94%	--

Group's operations continue to remain stable and reliable as production volumes for the current period marginally improved versus 9M-23. This marginal improvement was largely driven by marginally stable operating rates, and plant availability across all the segments amid planned and unplanned maintenance across most segments together with additional capacity in the steel segment on account of Al-Qataria acquisition. This reflects the Group's continued commitment to operational excellence, reliable operations while ensuring unwavering importance to HSE, and selective investments when available for the Group.

On a quarter-on-quarter basis, production volumes improved versus 2Q-24 amid planned and unplanned shutdowns during 2Q-24. Production volumes broadly improved across most segments during the current quarter with facility reliability, availability, and utilization improving on the previous quarter

### Financial performance updates – 9M-24 vs 9M-23

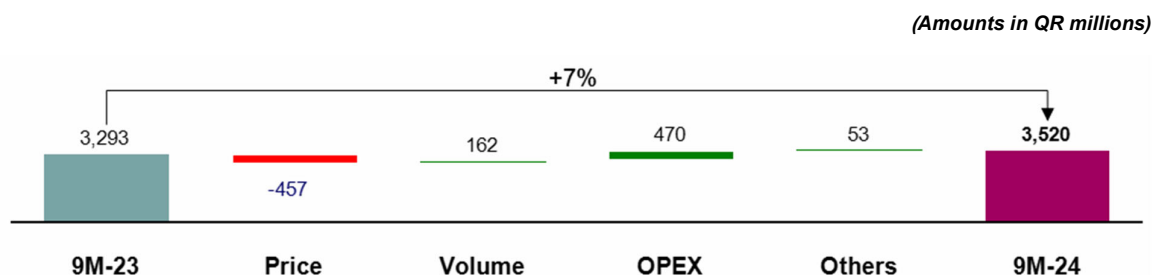
Key financial performance indicators	9M-24	9M-23	Variance (%)
Average selling price (\$/MT)	453	469	-3%
Sales volumes (MT' 000)	7,867	7,771	+1%
Revenue, Net (QR' billion)	12.7	13.0	-2%
EBITDA (QR' billion)	5.0	4.8	+4%
Net profit (QR' billion)	3.5	3.3	+7%
Earnings per share (QR)	0.58	0.54	+7%
EBITDA margin (%)	39%	37%	--

Note: Revenue and EBITDA measures have been reported based on non-IFRS based proportionate consolidation

Group reported a consolidated net profit of QR 3.5 billion for the nine-month period ended 30 September 2024, with a moderate improvement versus 9M-23. EBITDA for the period also improved versus the same period of last year. Group revenue for 9M-24 moderately declined compared to 9M-23. Reduction in revenue for the current period was primarily due to an overall decline in average selling prices.

### Analysis of IQ's net earnings – 9M-24 vs 9M-23

Group's financial performance for the nine-month period ended 30 September 2024 was largely attributed to the following factors:



- Product prices  
Blended average product prices marginally declined versus 9M-23 and contributed negatively to the group net earnings compared to the same period of last year. Despite prices being marginally down in 2024, it is worth noting that product prices have continued to stabilize over the last few quarters after peaking during second half of 2022. This price stability was supported by supply challenges arising from regional geo-political uncertainty, plant turnarounds, export restrictions in some of the larger producing economies, production shortfalls in some of the larger facilities, and fiscal and monetary policy revisions in some larger economies. On the other hand, demand for downstream products were impacted by muted economic forecast in larger economies, aggressive monetary policies, limited domestic and regional demand, while a positive trend was noted in the recent months on the backdrop of improved macro-economic fundamentals.
- Sales volumes  
Sales volumes for 9M-24 increased marginally versus 9M-23, primarily driven by stabilization of demand, resulting from gradual easing of macro-economic challenges and supply-bottlenecks. Despite ongoing regional uncertainties and variations in shipment timing across some segments, overall sales volumes improved. This positive trend was further supported by a year-on-year increase in production levels.
- Operating cost  
Operating cost for 9M-24 improved versus 9M-23. The decrease in the operating cost was primarily linked to lower variable cost driven by price-linked feedstock and raw material cost and favorable inventory movements, partially offset by higher general cost inflation.

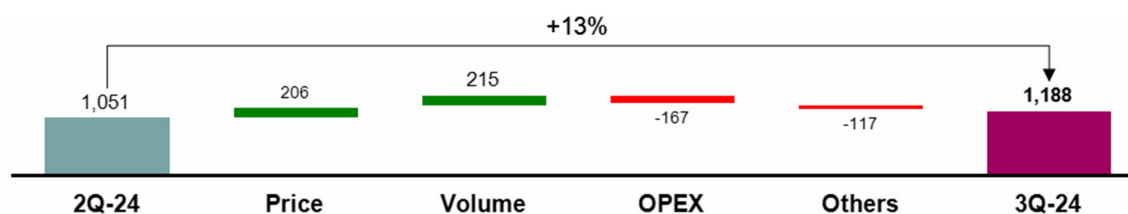
### Analysis of IQ's net earnings - 3Q-24 vs 2Q-24

(Amounts in QR millions)

Key financial performance indicators	3Q-24	2Q-24	Variance (%)
Average selling price (\$/MT)	462	423	+9%
Sales volumes (MT' 000)	2,679	2,649	+1%
Revenue (QR' billion)	4.4	4.0	+10%
EBITDA (QR' billion)	1.7	1.4	+20%
Net profit (QR' billion)	1.2	1.1	+13%
Earnings per share (QR)	0.20	0.17	+13%
EBITDA margin (%)	39%	36%	-

Note: Revenue and EBITDA measures have been reported based on non-IFRS based proportionate consolidation

(Amounts in QR millions)



During the current quarter 3Q-24, IQ's net earnings inclined versus 2Q-24 to reach QR 1.2 billion. This improvement was primarily due to higher gross margins in the polyethylene and fertilizer segment owing to lower operating costs primarily cost of goods sold.

However, this improvement was partially offset by lowered non-operating income as the steel segment recorded one-off other income in 2Q-24 on account of reversal of previously provided bank guarantee to the one of the segment's associates.

From a segmental perspective, Petrochemical segment's performance improved notably versus the last quarter on the back of improved volumes as the segment polyethylene facilities were on maintenance during 2Q-24. Petrochemical prices broadly remained unchanged versus the previous quarter. Profitability in the fertilizer segment improved notably on the backdrop of increased revenue (due to higher prices), and reduction in operating costs mainly in direct costs. Product prices have improved marginally on the backdrop of steady demand and supply tightness. Steel segment's financial performance for the current quarter was impacted due to absence of one-off as the segment recorded a one of income in 2Q-24 related to reversal of bank guarantee. Nevertheless, operating income remained relatively stable versus previous quarter with growth reported in the revenue.

#### Analysis of IQ's net earnings - 3Q-24 vs 3Q-23

(Amounts in QR millions)

Key financial performance indicators	3Q-24	3Q-23	Variance (%)
Average selling price (\$/MT)	462	460	+1%
Sales volumes (MT' 000)	2,679	2,494	+7%
Revenue (QR' billion)	4.4	4.1	+7%
EBITDA (QR' billion)	1.7	1.7	+3%
Net profit (QR' billion)	1.2	1.2	-1%
Earnings per share (QR)	0.20	0.20	-1%
EBITDA margin (%)	39%	41%	-

Note: Revenue and EBITDA measures have been reported based on non-IFRS based proportionate consolidation

During 3Q-24, IQ's net earnings remained relatively stable compared to the same quarter last year. Despite an increase in the group revenue, supported by higher sales volume amid better market dynamics, this growth was offset by higher operating, resulting in a relatively unchanged overall profit margin. The increase in operating costs is mainly attributed to higher operating costs associated with increased sales volume, coupled with price-linked feedstock and raw material cost.

The EBITDA margin declined marginally, primarily due to the aforementioned increase in operating costs and lower other income. Similarly, the net profit margin for the current quarter decreased compared to the same quarter of last year for the same reason.

## Financial position

Key financial performance indicators	As at 30/9/24	As at 31/12/23	Variance (%)
Cash & Bank Balance (QR Billion)	11.3	15.8	-28%
Total Assets (QR Billion)	40.9	43.1	-5%
Group Equity (QR Billion)	36.9	40.0	-9%

Note: Cash and bank balances has been reported based on non-IFRS based proportionate consolidation

Group's financial position continue to remain robust, with robust proportionately accounted cash and bank balances as of 30 September 2024, after accounting for a dividend payout relating to 2023 dividend of QR 4.7 billion and 2024 interim dividend amounting to QR 1.9 billion. Currently, the Group has no long-term debt obligations.

Group's reported total assets and total group equity as per the table above. The Group generated positive operating cash flows<sup>1</sup> of QR 3.0 billion, with free cash flows<sup>1</sup> of ~QR 1.3 billion during first nine months of 2024.

## Segmental performance highlights

### Petrochemicals:

Key performance indicators	9M-24	9M-23	Var (%) 9M-24 vs 9M-23	3Q-24	2Q-24	Var (%) [3Q-24 vs. 2Q-24]
Production (MT' 000)	2,290	2,304	-1%	845	677	+25%
Average Selling Prices (USD / MT)	739	760	-3%	729	740	-1%
Sales Volumes (MT'000)	1,592	1,499	+6%	570	505	+13%
Revenue (QR (Million))	4,155	4,026	+3%	1,471	1,320	+11%
Net Profit (QR Million)	1,166	1,148	+2%	445	367	+21%

Note: The above figures have been reported based on non-IFRS based proportionate consolidation

### Segmental performance analysis – 9M-24 vs 9M-23

Petrochemicals segment reported a net profit of QR 1.2 billion for 9M-24, showing an improvement compared to 9M-2023. This increase was primarily attributed to higher segment's revenue, while the segment successfully maintained its margins. Despite challenging macroeconomic conditions, the segment witnessed some signs of recovery during the year. This recovery was reflected in marginally improved sales volumes, although average selling prices were slightly lower compared to the same period of last year. Production levels remained relatively stable throughout this period. The segment ability to navigate these market conditions effectively, capitalizing on slight improvement in macroeconomic factors and maintaining operational efficiency, contributed to the overall increase in profit.

### Segmental performance analysis - 3Q-24 vs 2Q-24

On a quarter-on-quarter basis, the segment's net earnings improved primarily due to higher sales volumes amid an increase in production, while selling prices marginally declined. Operational performance within the segment improved as the previous quarter had witnessed some outages within the polyethylene segment. Overall, higher sales volumes coupled with relatively stable prices quarter-over-quarter contributed to higher net earnings for the current quarter.

<sup>1</sup> Reported based on non-IFRS based proportionate consolidation.

**Fertilizers:**

Key performance indicators	9M-24	9M-23	Var (%) 9M-24 vs. 9M-23	3Q-24	2Q-24	Var (%) [3Q-24 vs. 2Q-24]
Production (MT' 000)	7,340	7,196	+2%	2,393	2,424	-1%
Average Selling Prices (USD / MT)	329	343	-4%	339	297	+14%
Sales Volumes (MT'000)	4,802	4,683	+3%	1,607	1,699	-5%
Revenue (QR (Million))	5,577	5,674	-2%	1,923	1,779	+8%
Net Profit (QR Million)	1,550	1,356	+14%	547	364	+50%

*Segmental performance analysis – 9M-24 vs 9M-23*

Fertilizer segment reported a net profit of ~ QR 1.6 billion for 9M-24, showing a notable improvement versus 9M-23. This commendable increase in net profit was primarily driven by reduced operating costs. The improvement in operating costs was mainly associated with lower variable costs, owing to decreased feedstock prices and favorable inventory changes. Additionally, sales volumes marginally improved due to increased production volumes compared to the same period last year.

Despite the improved profitability, the segment's revenue decreased in 9M-24 compared to the same period of the previous year. This decline was due to lower selling prices, which was partially offset by improved sales volumes. Selling prices declined marginally versus 9M-23, as nitrogen fertilizer prices have stabilized to their long-term averages since peaking in 2021.

*Segmental performance analysis - 3Q-24 vs 2Q-24*

On a quarter-on-quarter basis, segmental revenue improved versus the previous quarter, primarily due to moderately higher average selling prices. This improvement was partially offset by a reduction in sales volumes. The increase in selling prices was mainly attributable to stabilization of nitrogen fertilizer prices toward their long-term averages.

The segment's net profit for 3Q-24 increased, driven by mainly a higher gross margin resulting from improved revenues, and reduced operating costs associated with lower variable costs.

**Steel:**

Key performance indicators	9M-24	9M-23	Var (%) 9M-24 vs 9M-23	3Q-24	2Q-24	Var (%) [3Q-24 vs. 2Q-24]
Production (MT' 000)	3,167	3,218	-2%	1,043	963	+8%
Average Selling Prices (USD / MT)	547	564	-3%	553	548	+1%
Sales Volumes (MT'000)	1,473	1,589	-7%	501	445	+13%
Revenue (QR (Million))	2,935	3,262	-10%	1,009	888	+14%
Net Profit (QR Million)	435	409	+7%	79	199	-61%

*Segmental performance analysis – 9M-24 vs 9M-23*

Steel segment reported a net profit of QR 435 million, marginally higher versus the same period of last year. Improved segmental earnings were mainly driven by recognition of one-off other income related to reversal of a bank guarantee that was previously provided to one of its associates.

Segmental revenue declined due to a combined effect of lower prices and volumes. Steel prices on average declined on account of higher supply in the market and softening of both domestic and international demand. Simultaneously, sales volumes were also down on account of challenging demand conditions. Construction demand continued to remain challenging due to prevailing macro-economic environment with most Central Banks continued to persist with their hawkish monetary policies, although conditions start to improve since 2H-24 as result of gradual global recovery, and particularly China, a larger contributor to construction economy has taken a series of measures re-ignite its domestic construction sector.

*Segmental performance analysis - 3Q-24 vs 2Q-24*

On a quarter-on-quarter basis, segmental profit declined versus 2Q-24 mainly on account of recognition of a one-off non-recurring other income in 2Q-24 relating to reversal of bank guarantee that provided to one of its associates.

Segment revenue increased, primarily due to higher sales volumes. This improvement was largely attributable to enhanced production, which resulted from increased facility availability following the completion of planned maintenance during the 2Q-2024.

**Earnings Call**

Industries Qatar will host an Earnings call with investors to discuss the latest results, on Monday, 4<sup>th</sup> November 2024 at 1:30 pm Doha time. The IR presentation that accompanies the conference call will be posted on the 'financial information' page within the Investor Relations section at IQ's website.

-Ends-

### About Industries Qatar (IQ)

Industries Qatar Q.P.S.C. was incorporated as a Qatari joint stock company on April 19, 2003. The business operations of the company comprise the direct holding of shares in the following subsidiary and joint venture companies: (i) Qatar Steel Company Q.P.S.C. ("QS"), a wholly-owned subsidiary, engaged in the manufacture and sale of steel billets and reinforcing bars; (ii) Qatar Petrochemical Company Limited QSC ("QAPCO"), a joint venture owned 80% by IQ, engaged in the production of ethylene, low-density polyethylene ("LDPE"), linear low-density polyethylene ("LLDPE") and Sulphur; (iii) Qatar Fertilizer Company SAQ ("QAFCO"), a subsidiary 100% owned by IQ, engaged in the manufacture of ammonia and urea; and (iv) Qatar Fuel Additives Company Limited QSC ("QAFAC"), a joint venture owned 50% by IQ, engaged in the production of methanol and methyl-tertiary-butyl-ether ("MTBE").

The operations of the subsidiary and joint ventures remain independently managed by their respective management teams.

For more information about the earnings announcement, email [iq@qatarenergy.qa](mailto:iq@qatarenergy.qa) or [iq.investorrelations@qatarenergy.qa](mailto:iq.investorrelations@qatarenergy.qa) or visit [www.iq.com.qa](http://www.iq.com.qa)

### DISCLAIMER

The companies in which Industries Qatar Q.P.S.C. directly and indirectly owns investments are separate entities. In this press release, "IQ" and "the Group" are sometimes used for convenience in reference to Industries Qatar Q.P.S.C.

This presentation may contain forward-looking statements concerning the financial condition, results of operations and businesses of Industries Qatar 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 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 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.

Industries Qatar Q.P.S.C., its Directors, officers, advisors, contractors and agents shall not be liable in any way for any costs, losses or other detrimental effects resulting or arising from the use of or reliance by any party on any forward-looking statement and / or other material contained herein. Industries Qatar Q.P.S.C., its subsidiary, joint ventures and associated companies are further in no way obliged to update or publish revisions to any forward-looking statement or any other material contained herein which may or may not be known to have changed or to be inaccurate as a result of new information, future events or any reason whatsoever. Industries Qatar Q.P.S.C. does not guarantee the accuracy of the historical statements contained herein.

### GENERAL NOTES

Industries Qatar's accounting year follows the calendar year. No adjustment has been made for leap years. Values expressed in US \$'s have been translated at the rate of US \$1 = QR 3.64.

Amounts relating to income statement, including revenue, net profits, production, sales volumes, have been computed and reported for the purpose of this press release on proportionate basis, based on the share of ownership of IQ in its respective joint ventures. Specifically, Petrochemical segment's revenue is computed by taking the Group share of revenue in Qapco and Qafac. Qapco's revenue is computed by taking the share of revenue in its joint ventures namely Qatofin, QVC and QPPC. This revenue may differ from the revenues reported in the consolidated financial statements.

### DEFINITIONS

**Adjusted Free Cash Flow:** Cash Flow From Operations - Total CAPEX - Dividends • **CAGR:** 5-Year Compound Annual Growth Rate • **Cash Realization 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 Capitalization x 100 • **DRI:** Direct Reduced Iron • **EBITDA:** Earnings Before Interest, Tax, Depreciation and Amortization calculated as (Net Profit + Interest Expense + Depreciation + Amortization) • **EPS:** Earnings per Share (Net Profit / Number of Ordinary Shares outstanding at the year-end) • **Free Cash Flow:** Cash Flow From Operations - Total CAPEX • **HBI:** Hot Briquetted Iron • **LDPE:** Low Density Poly Ethylene • **LLDPE:** Linear Low Density Poly Ethylene • **mmBtu:** Million British Thermal Units • **MTPA:** Metric Tons Per Annum • **MTBE:** Methyl Tertiary Butyl Ether • **Payout Ratio:** Total Cash Dividend / Net Profit x 100 • **P/E:** Price to Earnings (Closing market capitalization / Net Profit) • **Utilization:** Production Volume / Rated Capacity x 100