



# Industries Qatar

## Investor Relations Presentation

30 June 2024

*“One of the region’s industrial giants with interests in the production of a wide range of petrochemical, fertilizer and steel products.”*

# DISCLAIMER

The Companies in which Industries Qatar Q.P.S.C. directly and indirectly owns investments are separate entities. In this presentation, “IQ” and “the Group” are sometimes used for convenience in reference to Industries Qatar Q.P.S.C.

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## GENERAL NOTES

IQ’s accounting year follows the Gregorian calendar year. No adjustment has been made for leap years. Where applicable, all values refer to IQ’s share. 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:** 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) • **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 • **mmBTU:** Million British Thermal Units • **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

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8. Dividends and market capitalization
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# About IQ

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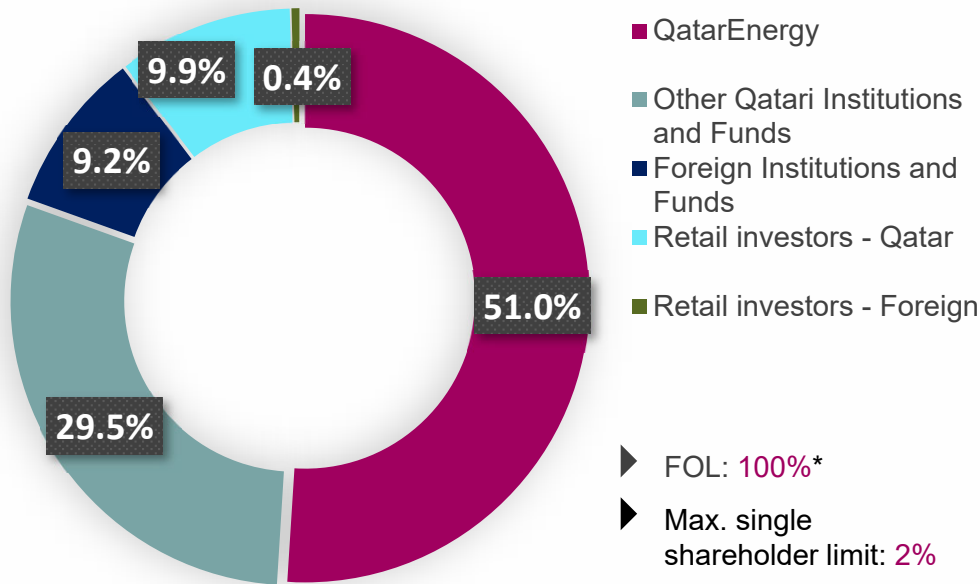
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# IQ at a Glance

## Overview

- Industries Qatar (IQ) was incorporated and listed on the Qatar Exchange in 2003.
- IQ is the **second largest company** at Qatar Exchange by Market Capitalization.
- IQ is credit rated by Standard & Poor's (**AA-**; stable) and Moody's (**Aa3**; Stable).
- QatarEnergy provides most head office functions through a comprehensive service-level agreement.
- The operations of subsidiaries and joint ventures remain independently managed by their respective Boards of Directors and senior management teams.

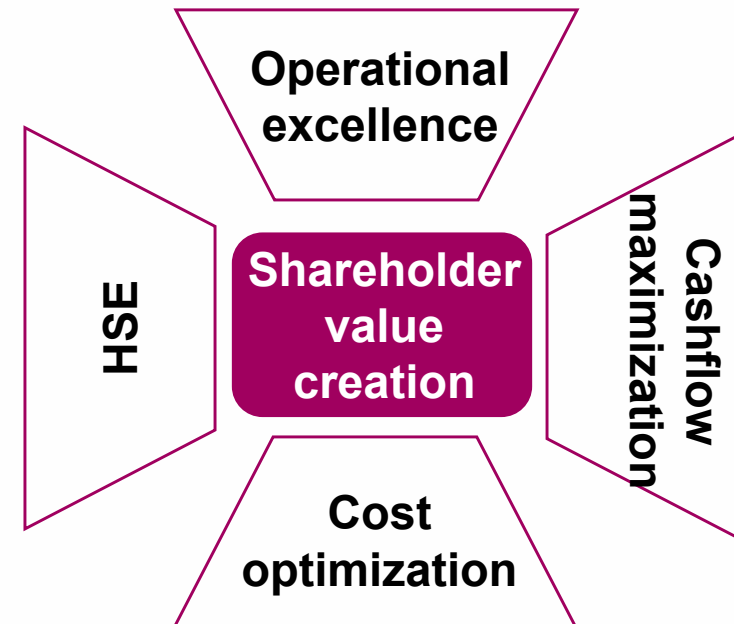
## IQ's shareholding structure



**Note:** Shareholder data as of 30-June-24

\* All necessary measures have been taken with relevant authorities and subsequently IQ increased its FOL to 100%

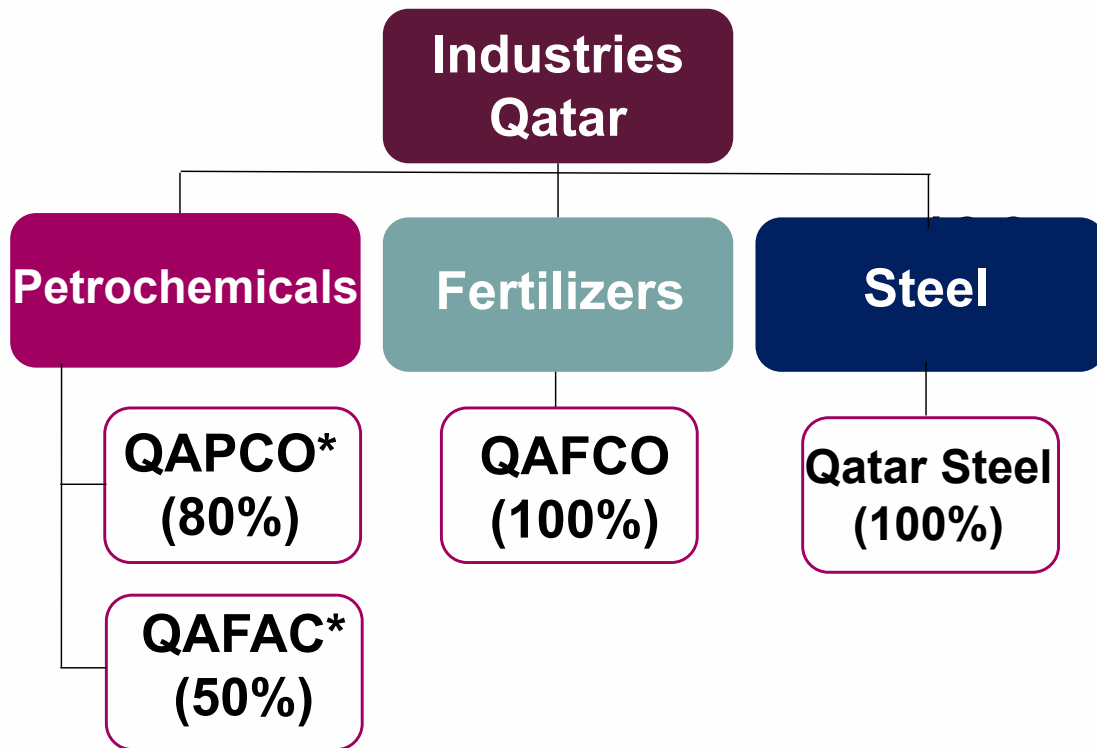
## Core values



# IQ business segments at glance (H1-2024)

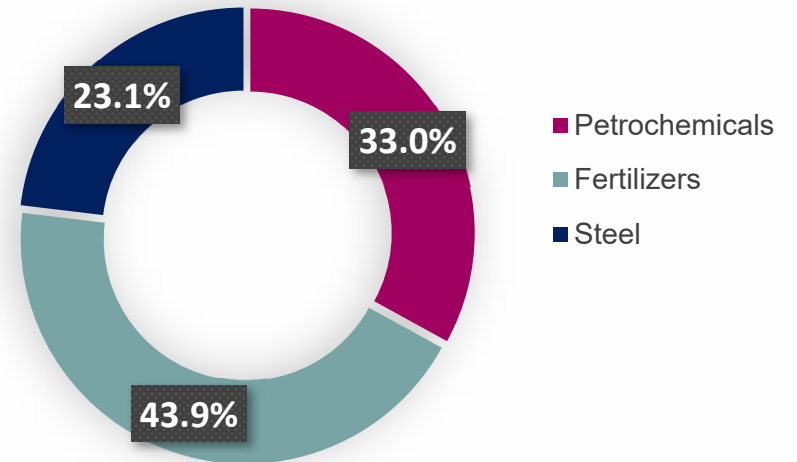
## Business segments overview

- Through its group companies, IQ operates in **three** distinct business segments: **Petrochemical**, **Fertilizer** and **Steel**;
- Production facilities are principally located in the State of Qatar.

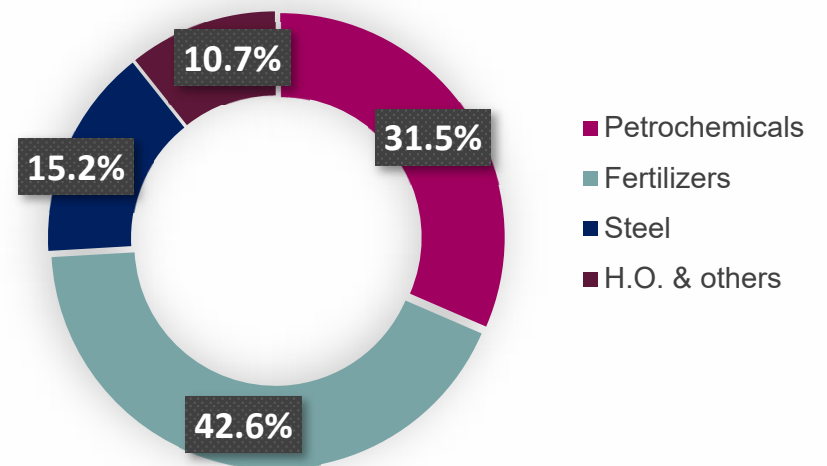


\*Joint venture stake

## Segment size by Revenue



## Segment size by Net Profits



Note: Revenue and net profit data as of 30-June-24



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# Competitive strengths

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# Competitive strengths

## Low-cost producer

- Assured feedstock supply
- Economies of scale and operationally diversified
- Synergy benefits

## Strong financial position

- Solid liquidity position, with no long-term debt
- Strong cash flow generation with stable EBITDA margins
- Sound dividend record

## Market leadership

- Major steel producer in the region
- World's largest single site urea producer
- Dedicated marketing support in form of Muntajat

## Experienced team

- Industry experts in the senior management team
- Reputable JV partners



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# Regional peer review

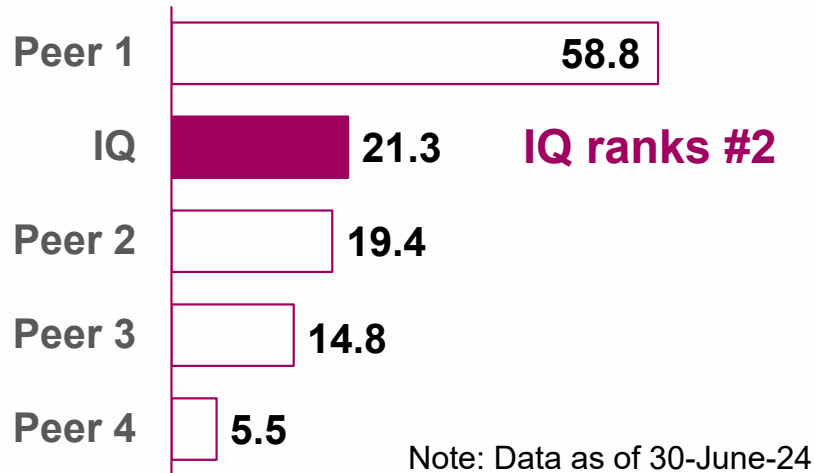
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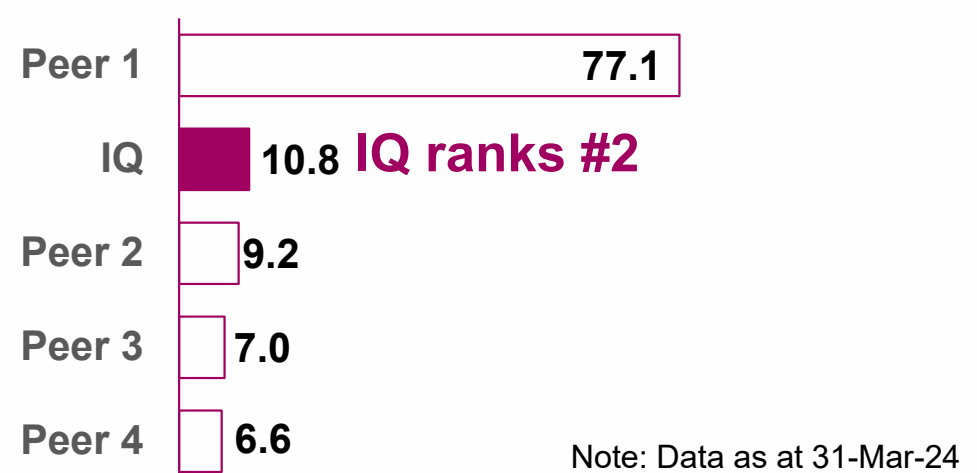
IQ ranked **#23** among  
***“2023 Forbes List of Top 100 Listed Companies in the Middle East”***

# Competitive positioning versus regional peers

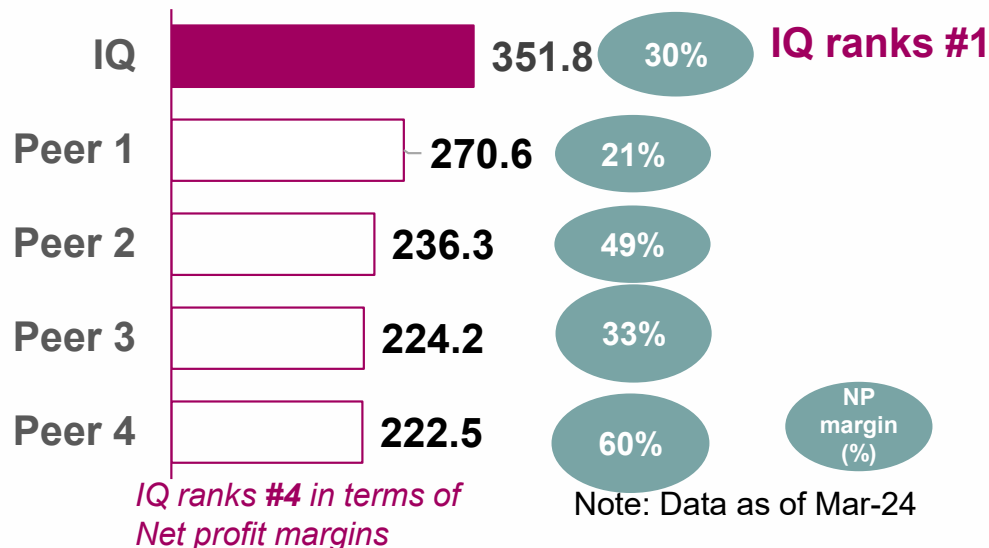
## Market Cap. (USD' billion)



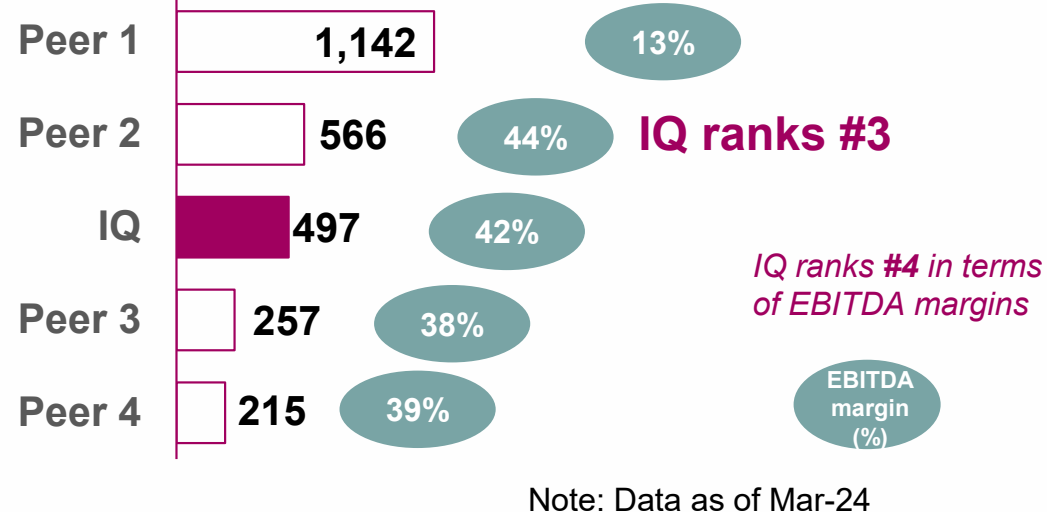
## Total Assets (USD' billion)



## Net profit (USD' million)



## EBITDA (USD' million)



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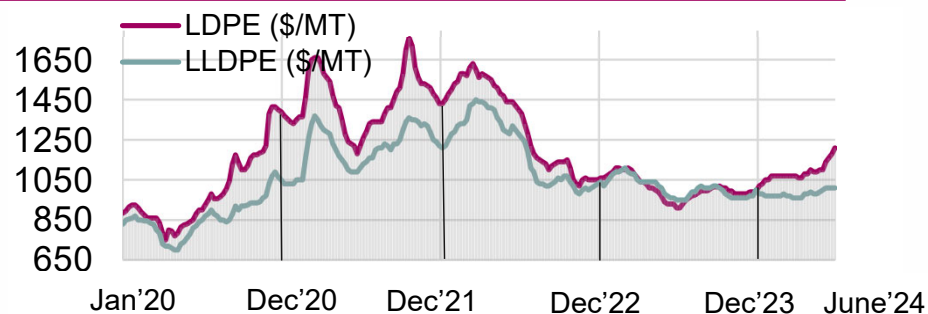
# Macroeconomic updates

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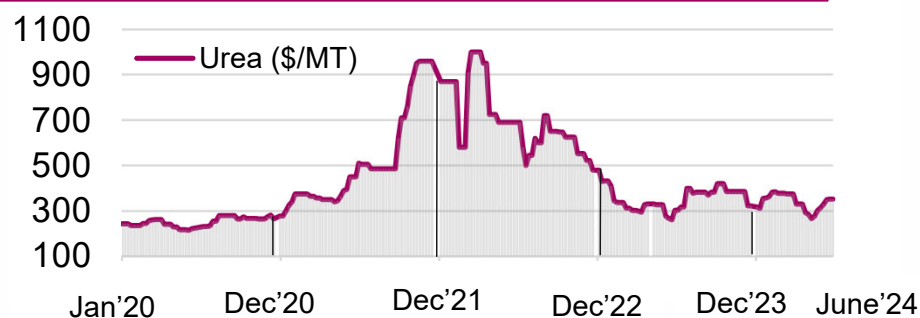
# Macroeconomic updates

## Petrochemicals



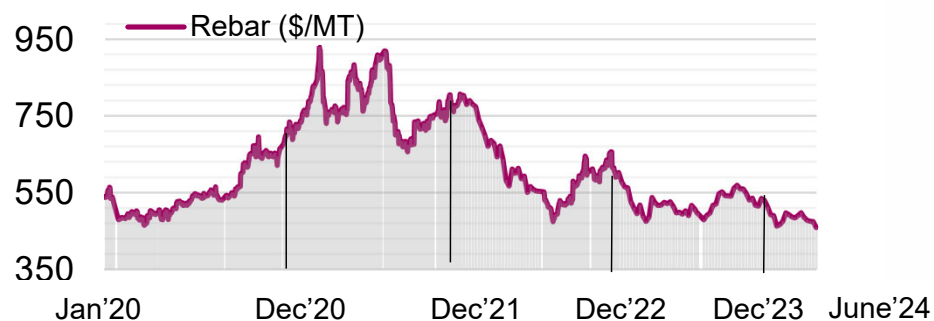
- The petrochemicals industry faced demand and supply challenges on both consumer and producer fronts. Weakened consumer demand coupled relatively stable crude prices, and structural capacity additions have eased supplies somewhat during the year. Nevertheless, the recent policy stimulus by the Chinese government could provide some support to stabilize the demand and supply equilibrium.

## Fertilizers



- Macroeconomic environment stabilized after reaching its peak during 2022 coupled with restoration of European production which improved supply conditions. On an overall basis, nitrogen fertilizer prices have remained relatively unchanged versus 1Q-24 on the backdrop of normalization of supply.

## Steel



- Macro-economic outlook for the steel segment remained somewhat challenging with muted demand in property sector in larger economies like China together with weaker consumer demand amid hawkish monetary policy albeit higher interest rate environment and falling consumer confidence, limited domestic demand amid slowdown in regional construction activities..

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# Group results

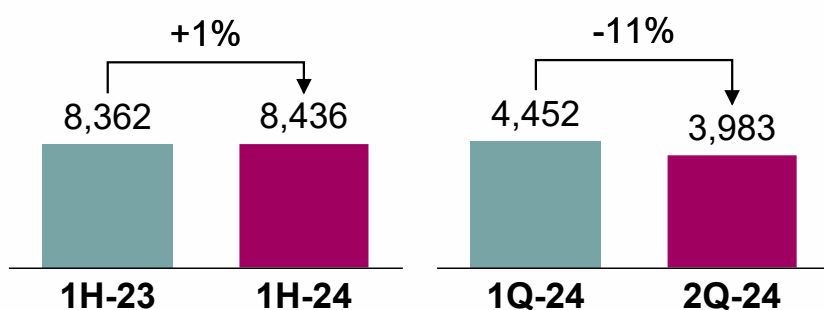
## (For the period ended 30 June 2024)

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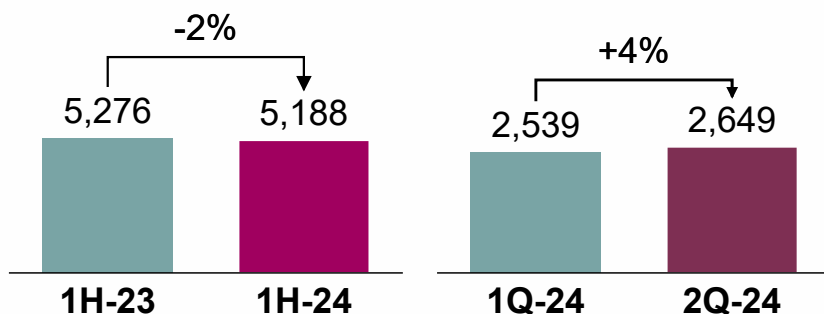
# Operational performance review

## Production (MT' 000)



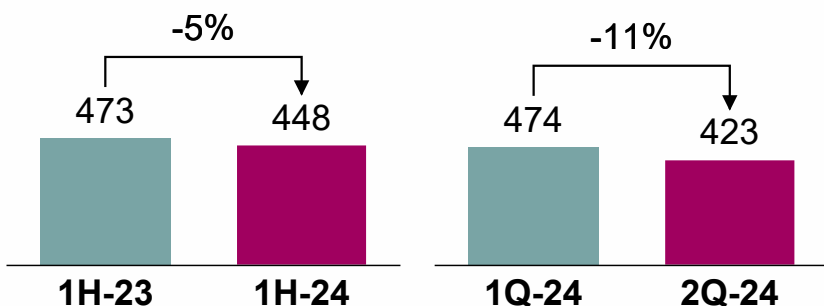
- 1H-23 vs 1H-24: Production volumes marginally improved versus same period of last year, mainly due to improved fertilizer production.
- 1Q-24 vs 2Q-24: Production decreased versus previous quarter primarily due to lower operating days across all segments except fuel additive segment.

## Sales volume (MT' 000)



- 1H-23 vs 1H-24: Sales volumes moderately decreased primarily driven by challenging market dynamics.
- 1Q-24 vs 2Q-24: Sales volumes moderately increased primarily driven by fertilizer segment's higher sales reported during this quarter.

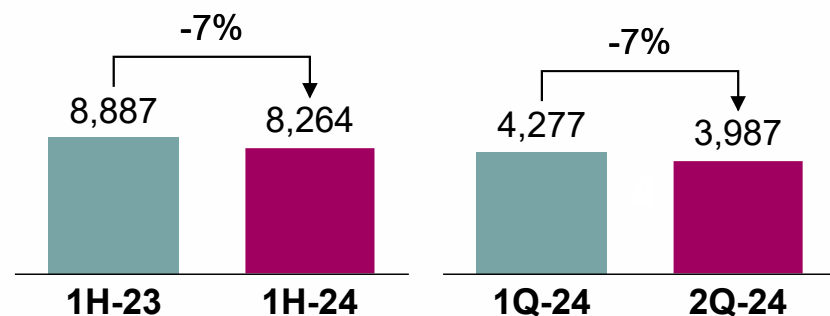
## Selling prices (\$/MT)



- 1H-23 vs 1H-24: The marginal decline in product prices was mainly linked to downward trajectories noted across the Group's basket of product amid macroeconomic headwinds amid stabilization in prices notably during 1H-24 within some segments.
- 1Q-24 vs 2Q-24: Average selling prices declined due to reduction in fertilizer segment prices, as result of easing of supply and stabilization of nitrogen-based fertilizers to their long-term average.

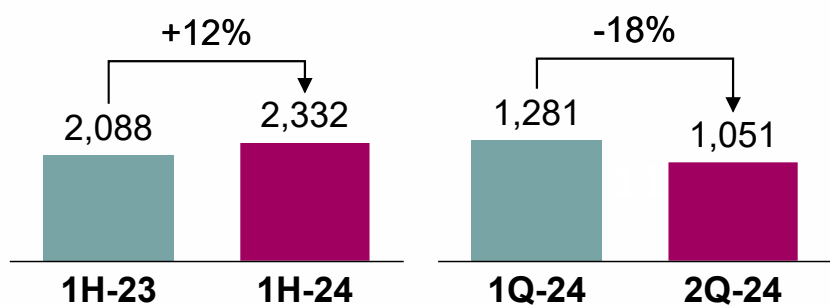
# Financial performance review

## Revenue (QR' million)



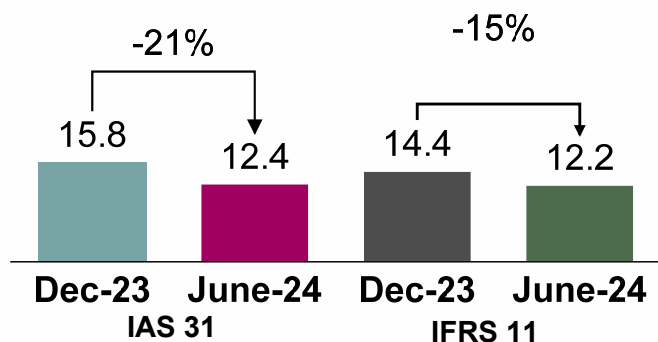
- 1H-23 vs 1H-24: Group revenue decreased moderately, mainly on account of overall decline in blended average selling prices & sales volumes.
- 1Q-24 vs 2Q-24: Group revenue moderately decreased, mainly on account of decline in blended average selling prices partially offset by increase in sales volumes.

## Net profit (QR' million)



- 1H-23 vs 1H-24: results inclined primarily due to lower OPEX primarily linked to lower variable cost driven by end-product price indexed raw material cost, favorable inventory movements and one-off other income.
- 1Q-24 vs 2Q-24: Profitability has decrease primarily due to lower average selling prices partially offset by higher sales volume and one-off other income pertaining to steel segment's associate.

## Net cash (QR' billion)



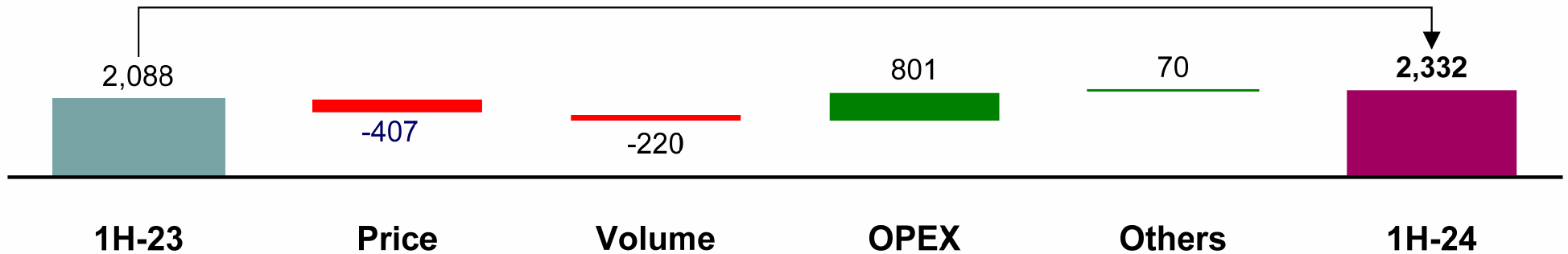
- Cash declined from year-end 31 Dec 2023 mainly due to payment of 2023 dividends, (QR 4.7 billion).
- There is no long-term debt across the Group as of 30 June 2024.

# Net profit variance analysis

## 1H-24 vs 1H-23

*Profits and profitability inclined moderately on account of improved operating costs, and one-off other income.*  
 Amounts in QR 'millions

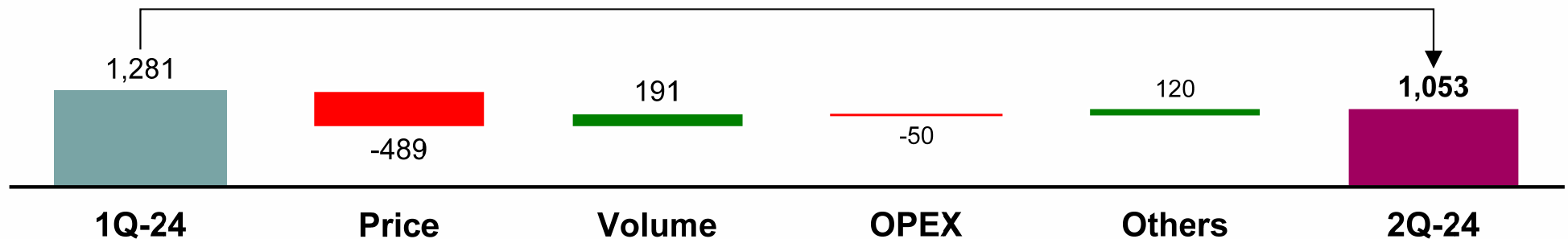
+12%



## 1Q-24 vs 2Q-24

*Profitability has decrease primarily due to lower average selling prices partially offset by higher sales volume and one-off other income pertaining to steel segment associate.*  
 Amounts in QR 'millions

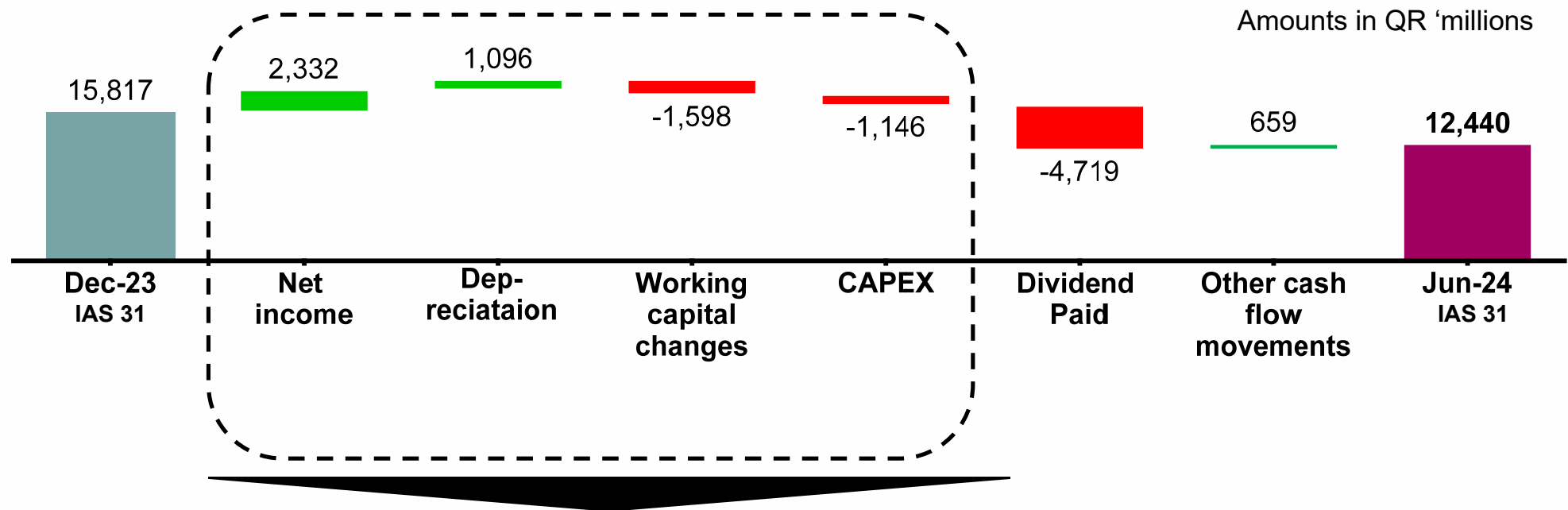
-18%





# IQ cash flow generation

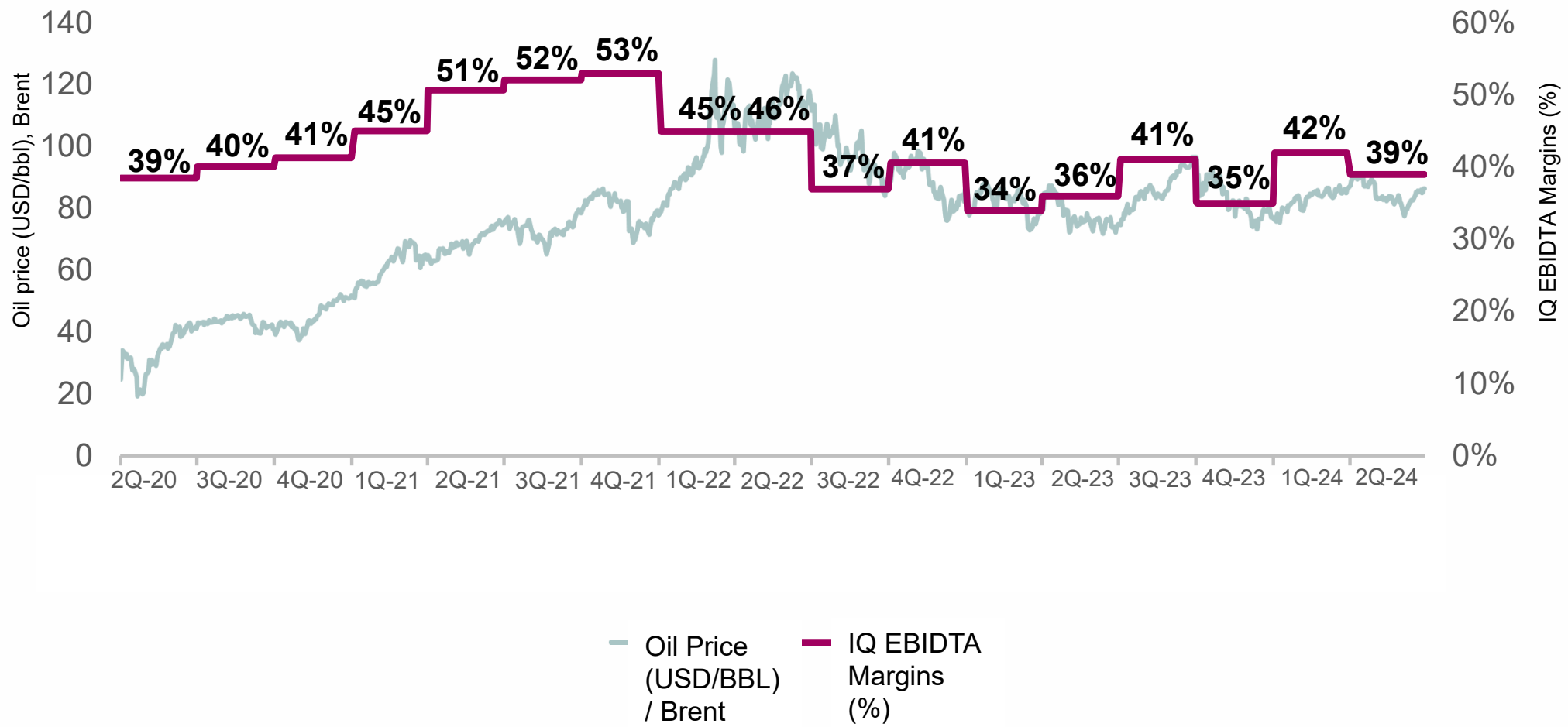
**IQ's free cash flow generation capability continue to remain robust**



**Total Free Cash Flows Generated During the Period**

# Robust and Competitive EBITDA margins

Despite the volatile trends in commodity prices, IQ's EBITDA margins continue to remain robust and competitive

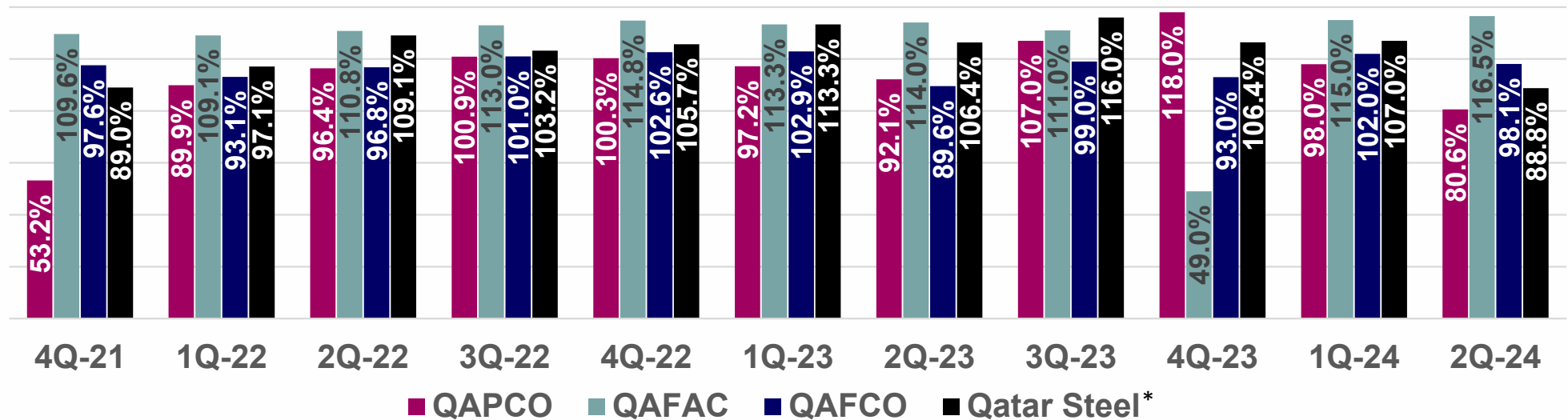


Source: Oil price (USD/BBL), Brent; EBITDA margins – Company data



# IQ's plant operating rates

## IQ's plant operating rates remained stable

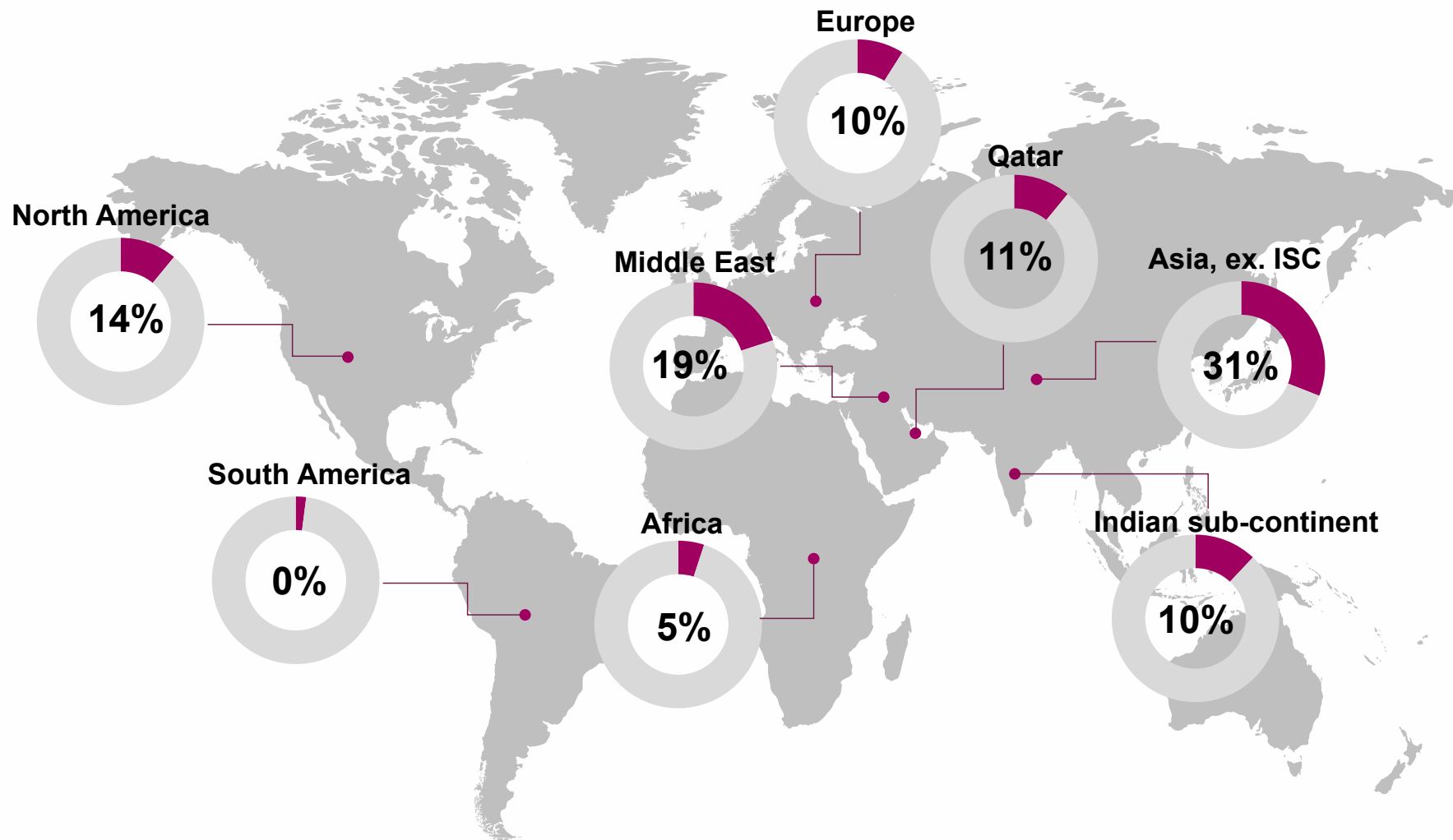


**\*Note:** With effect from 01 April 2020, management decided to mothball certain facilities of Qatar Steel, hence the nameplate capacity was adjusted accordingly to reflect the new capacity levels post mothballing.

Also, from 1Q-22, Qatar Steel decided to re-start its DR-2 facilities (a larger facility) as against DR-1 which was operational until the end of 2021. DR-2 has a current production capacity of ~1,700k MTs per annum compared to DR-1 that has an annual capacity of ~800k MTs per annum. The utilization figures have been restated where necessary.

# Geographic analysis – IQ Group revenue

Asia remained Group's largest market



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# Segment results

## (For the period ended 30 June 2024)

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# Segmental Details: Petrochemicals

- The companies in the Petrochemical segment (Qapco, Qatofin, Qafac and QVC) are engaged in the production of:

| Product               | (in 000 MT PA) |
|-----------------------|----------------|
| Capacity <sup>1</sup> |                |
| Ethylene              | 920            |
| LDPE                  | 600            |
| LLDPE                 | 280            |
| Methanol              | 500            |
| MTBE                  | 305            |
| Caustic Soda          | 98             |
| EDC                   | 68             |
| VCM                   | 98             |
| <b>Total</b>          | <b>2,869</b>   |

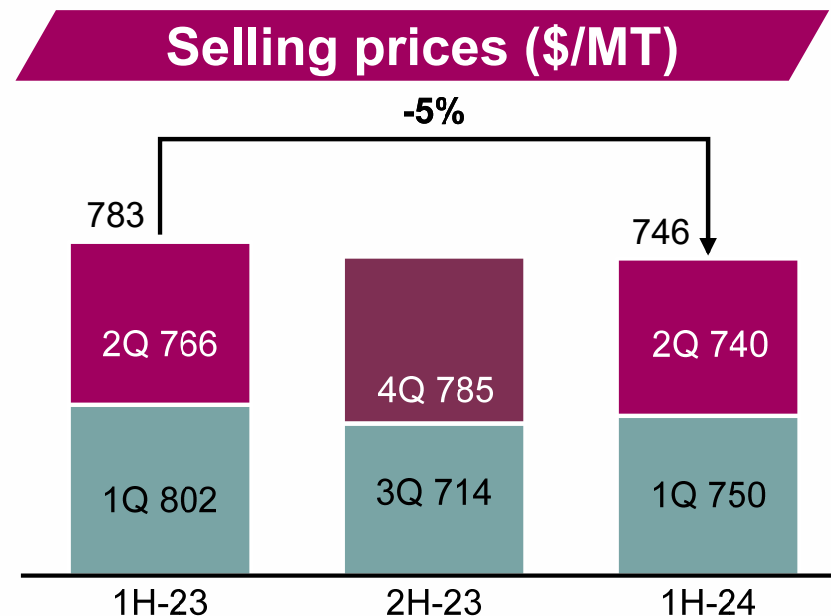
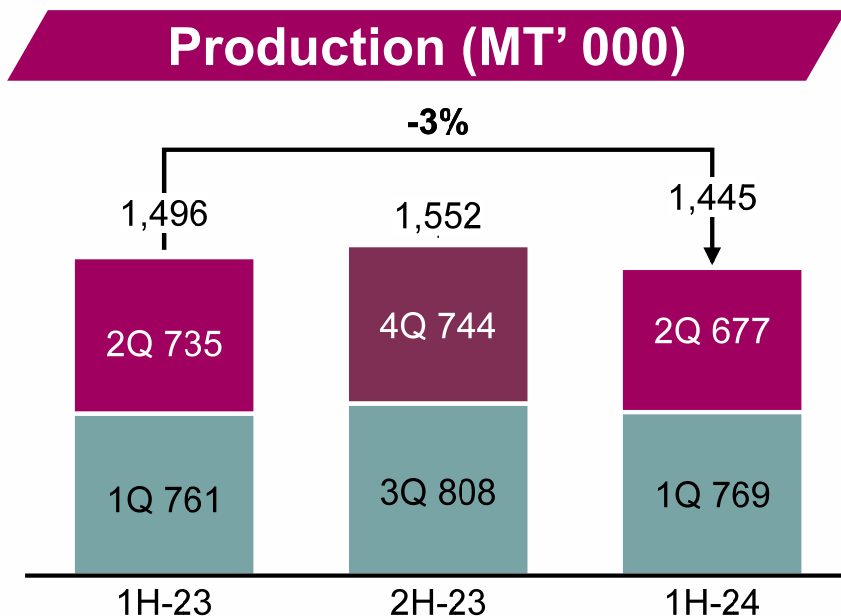
- The segment's primary feedstocks are methane gas (which is used for the production of methanol), ethane gas (ethylene) and butane gas (MTBE);



# Results: Petrochemicals

*Analysis of production & selling prices*

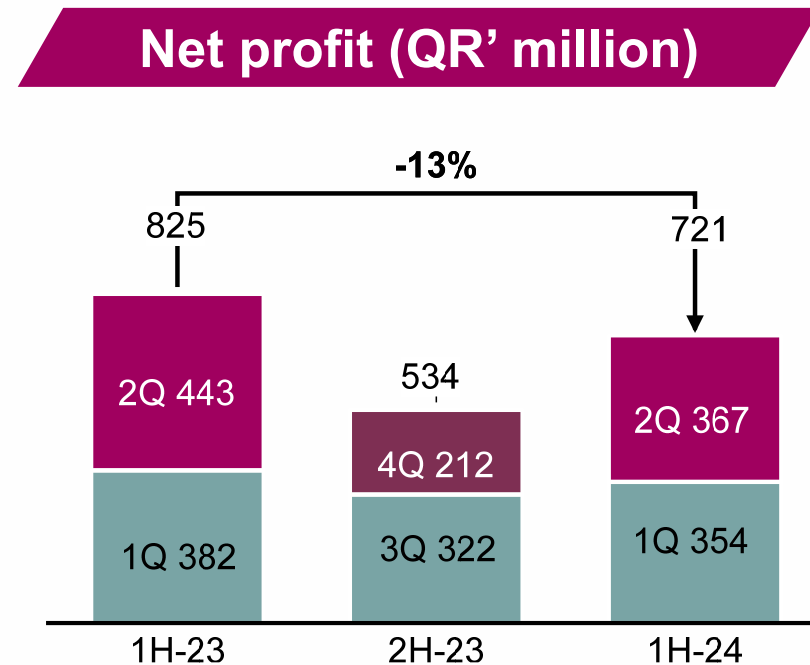
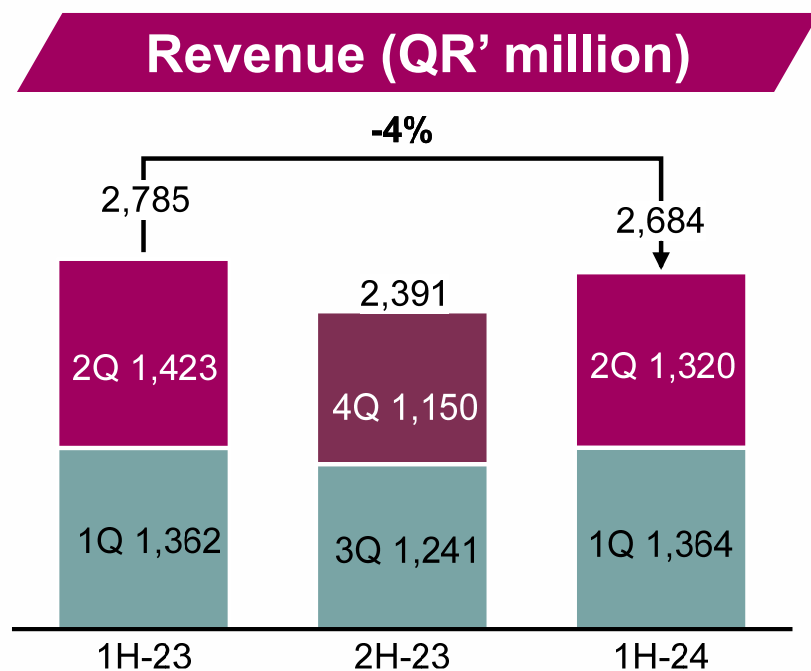
- **Production:** production volumes marginally down compared to same period last year, against the backdrop of lower plant operating days.
  - Production volumes decreased versus previous quarter, mainly on account outages in one of the facilities within the polyethylene segment.
  
- **Selling Prices:** marginally down versus same period last year, driven by polyethylene market conditions faced this period versus same period of last year.
  - Selling prices marginally decreased compared to previous quarter, mainly on the backdrop relatively stabilizing polyethene market dynamics.



# Results: Petrochemicals

Analysis of segment revenue & net profit

- Revenue:** Down versus same period of last year. The decline was driven by reduction in average selling price, and partially offsetted by marginal improvement in sales volumes;
  - Revenue for the current quarter decreased versus previous quarter. This decline in segmental revenue was as result of the combined effect of reduction in both sales volumes and average selling prices.
- Net profit:** Decreased compared to same period last year. This decrease was mainly linked to a decline gross margin that attributed to reduction in average selling prices during the period.
  - Net profit increased compared to previous, mainly on account of lower operating cost.*

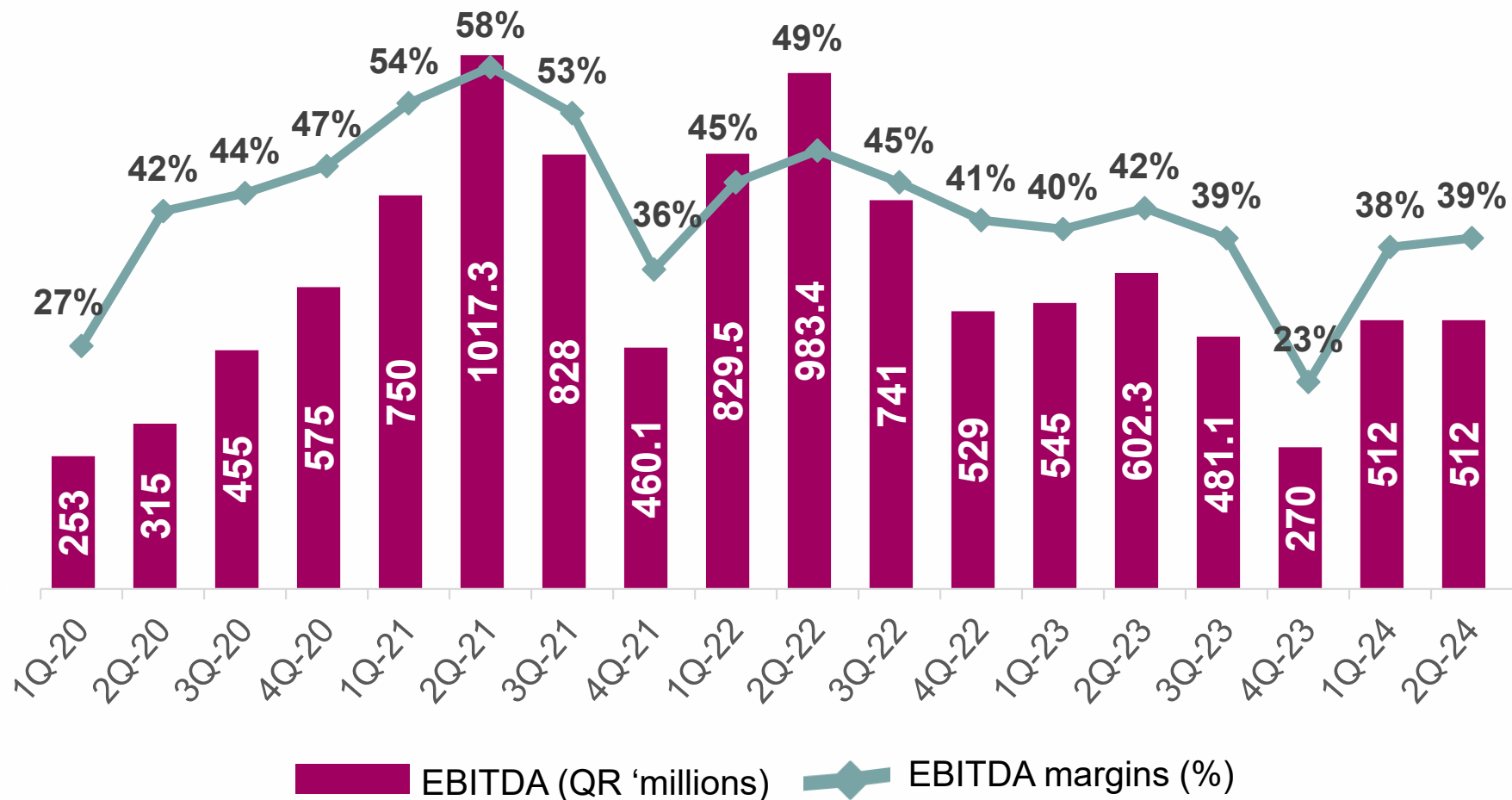




# Results: Petrochemicals

Analysis of segment EBITDA margins

## Segment's EBITDA margins continue to remain robust

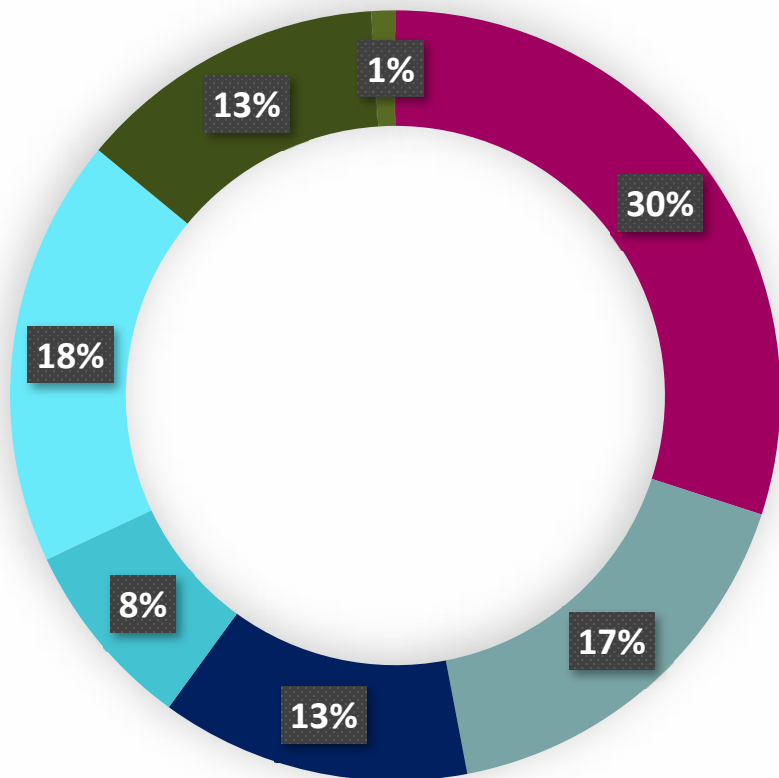


# Results: Petrochemicals

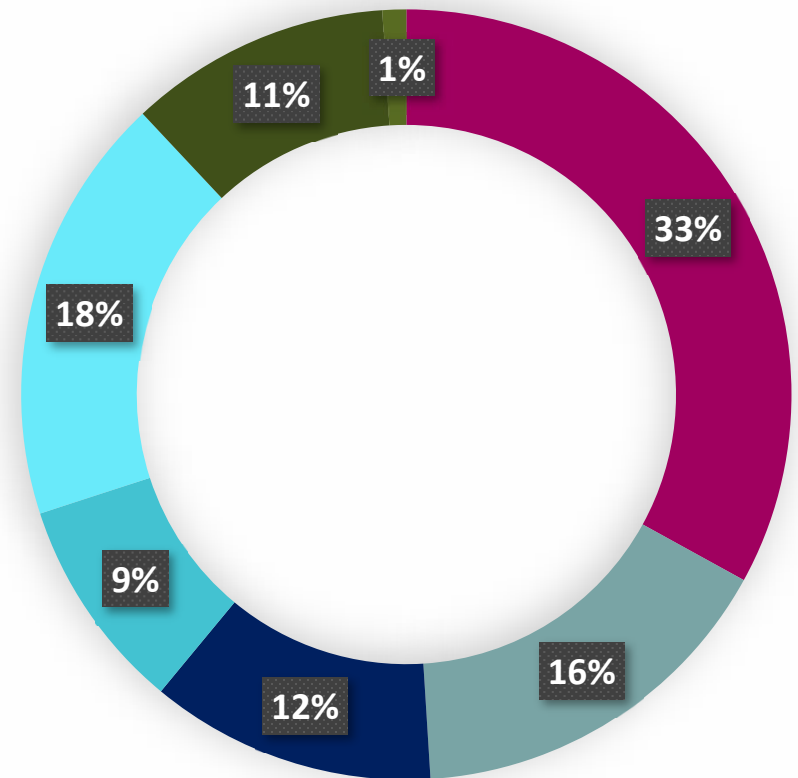
*Geographical analysis of segment revenue*

- Asia remains a main market for IQ for Polyethylene (LDPE and LLDPE) and MTBE

1H-24 Segment Revenue (%)



1H-23 Segment Revenue (%)



● Asia, ex. ISC      ● Africa      ● Americas  
● Indian sub-continent      ● Middle East  
● Europe      ● Qatar

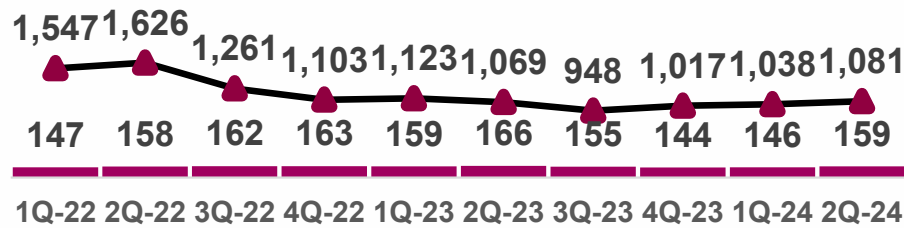
**Note:** The geographic analysis is based on the geographic location of the customer, to whom the sale is actually made by IQ's entities directly or via Sales & Marketing partner.



# Results: Petrochemicals

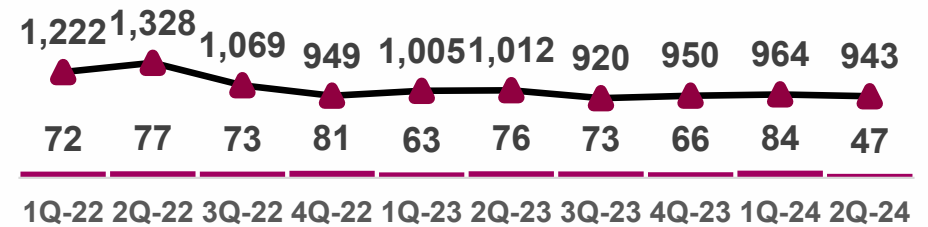
Key segment products analysis

## LDPE



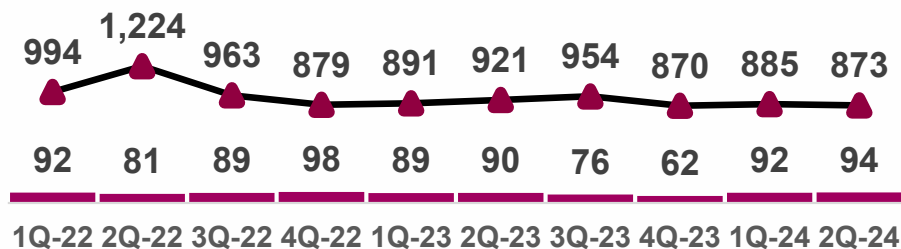
Sales volumes inclined marginally, while selling prices stabilizes sequentially amid less volatility petrochemicals market.

## LLDPE



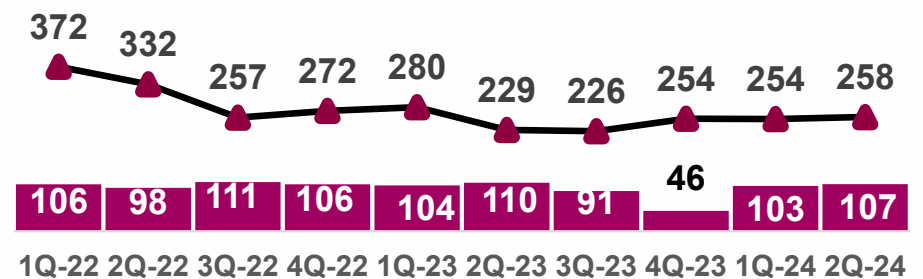
Sales volumes declined, while selling prices stabilizes inline with petrochemical market movement.

## MTBE



Sales volumes and selling prices stabilizes on quarter over quarter basis.

## Methanol



Sales volumes and selling prices stabilizes on quarter over quarter basis.

# Segmental Details: Fertilizers

- **Qatar Fertiliser Company** has six ammonia and six urea production trains all of which are located in Qatar.

| <b>Product</b> | <i>(in 000 MT PA)</i>       |
|----------------|-----------------------------|
|                | <u>Capacity<sup>1</sup></u> |
| Ammonia        | 3,840                       |
| Urea           | 5,957                       |
| Melamine       | 60                          |
| <b>Total</b>   | <b>9,922</b>                |

- The segment's primary feedstock is **methane gas** (which is used for the production of ammonia) and **ammonia** (which is used for production of urea).

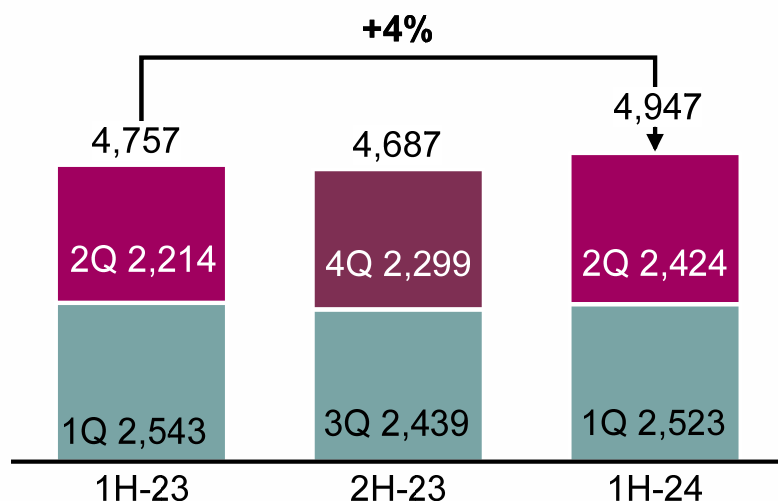


# Results: Fertilizers

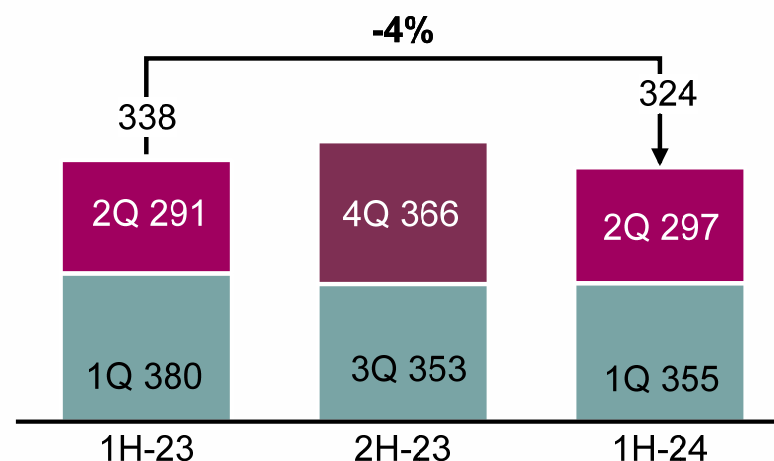
Analysis of production & selling prices

- Production:** Production volumes marginally up compared to same period last year, mainly on account of improved facility availability, and reliability.
  - Production marginally declined compared to previous quarter on account of lower operating rate.*
- Selling Prices:** Selling prices declined marginally versus same period last year, as nitrogen fertilizer prices returned to their long-term averages since peaking in 1H-22.
  - The decline in selling prices as compared to previous quarter, was primarily attributable to stabilization of nitrogen fertilizer prices to its long-term averages, as supply challenges is gradually easing at the global scale.*

## Production (MT' 000)



## Selling prices (\$/MT)

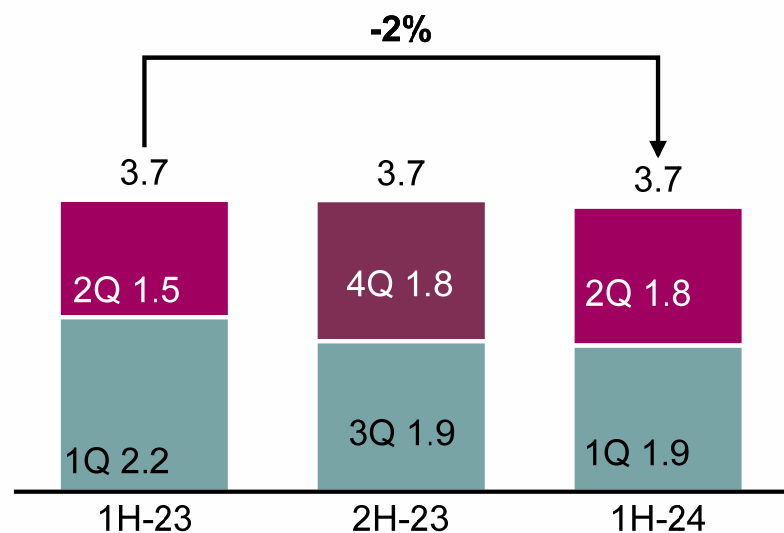


# Results: Fertilizers

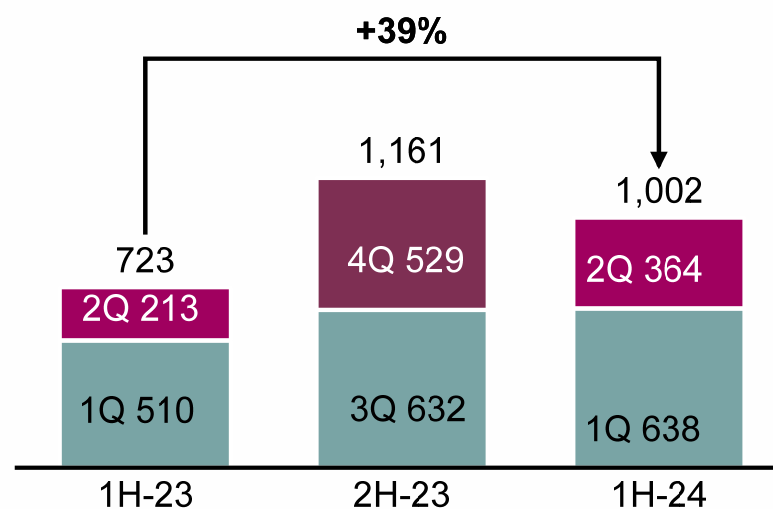
Analysis of segment  
revenue & net profit

- Revenue:** Decreased compared to the same period of last year, due to lower selling prices which was partially offset by improved sales volumes.
  - Marginally decreased versus the previous quarter owing to lower average selling prices, partially offset by higher sales volumes.*
- Net profit:** This notable rise in net profit compared to same period of last year, was primarily driven by improved operating costs, favorably inventory changes & marginally improved sales volumes.
  - Decreased versus the previous quarter mainly due to lower gross margin on account of reduced revenues, and higher operating costs.*

## Revenue (QR' billion)



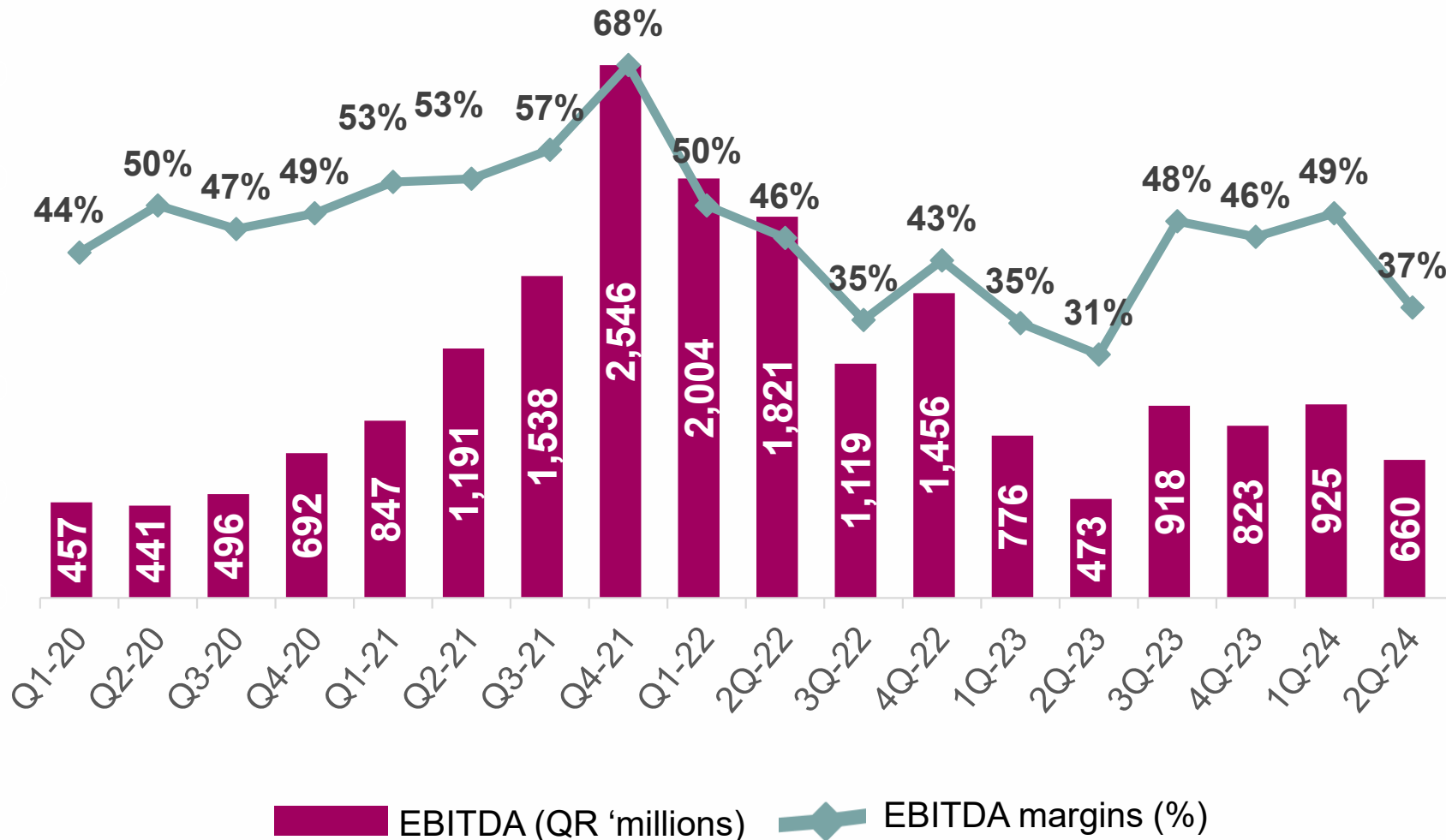
## Net profit (QR' million)



# Results: Fertilizers

Analysis of segment EBITDA margins

## Segment's EBITDA margins continue to remain resilient

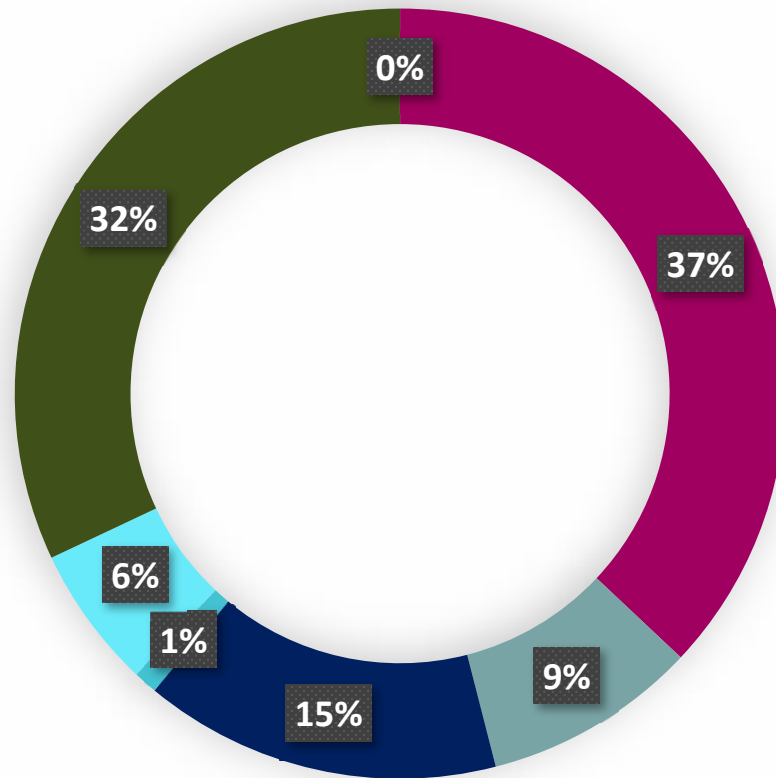


# Results: Fertilizers

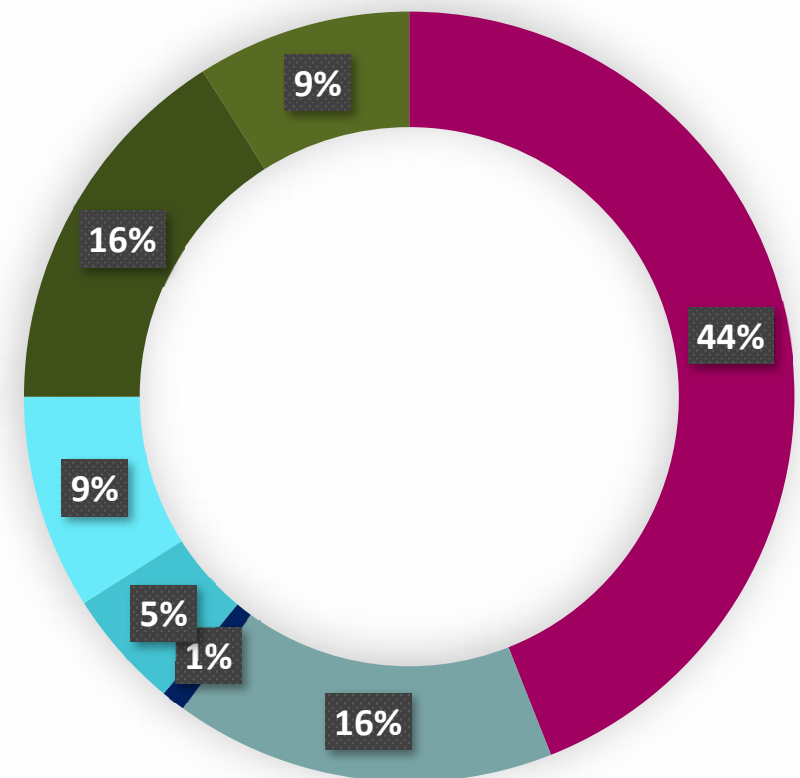
*Geographical analysis of segment revenue*

- Asia is a key market for fertilizers along with North America followed by Europe.

1H-24 Segment Revenue (%)



1H-23 Segment Revenue (%)



- Asia, ex. ISC
- Africa
- South America
- Indian sub-continent
- Middle East
- Europe
- North America

**Note:** The geographic analysis is based on the geographic location of the customer, to whom the sale is actually made by IQ's entities directly or via Sales & Marketing partner.

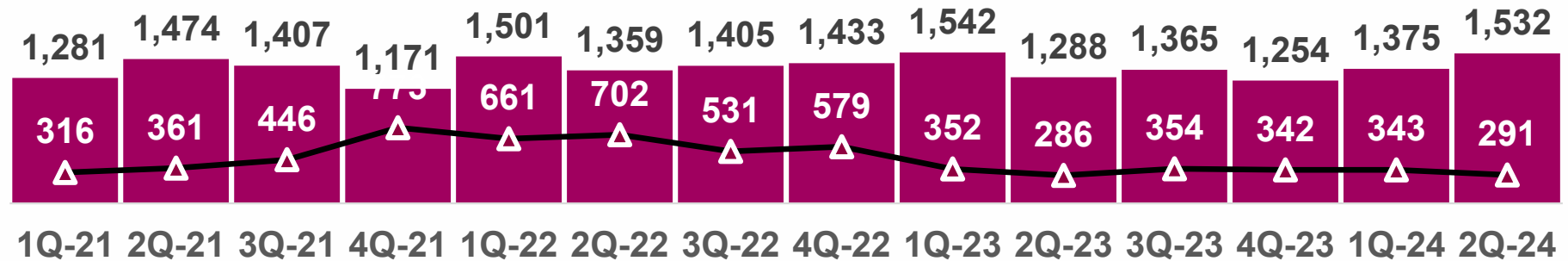




# Results: Fertilizers

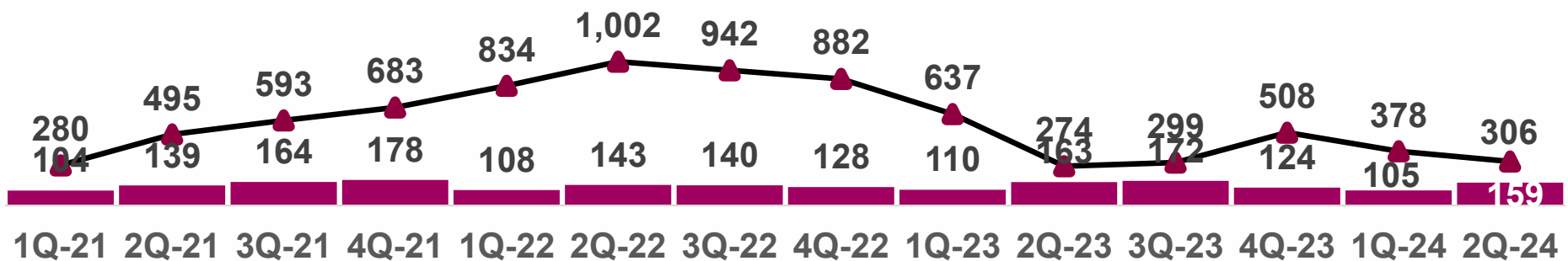
Key segment products analysis

## Urea



Sales volumes increased during current quarter, while prices of urea continued to stabilize during this quarter to its long-term averages, as supply challenges are gradually easing at the global scale.

## Ammonia



Sales of ammonia (and its prices) depends on the availability of excess ammonia, as most of the ammonia production is used for Urea production.

█ Sales Volumes (MT '000)    ● Selling price (\$/MT)



# Segmental Details: Steel

- Qatar Steel Company Q.S.C. produces a number of intermediate steel products.

The production capacity of the plants are:

| Product      | (in 000 MT PA)<br>Capacity <sup>1</sup> |
|--------------|---|
| DRI / HBI    | 2,300                                   |
| Rebar        | 2,300 <sup>2</sup>                      |
| Billets      | 2,520                                   |
| Coil         | 240 <sup>*</sup>                        |
| <b>Total</b> | <b>7,360</b>                            |

Note:

- Refers to IQ share of production capacity.
  - Includes capacity of Al-Qataria Steel.
- The segment's primary raw material is **oxide pellets** and **scraps**.

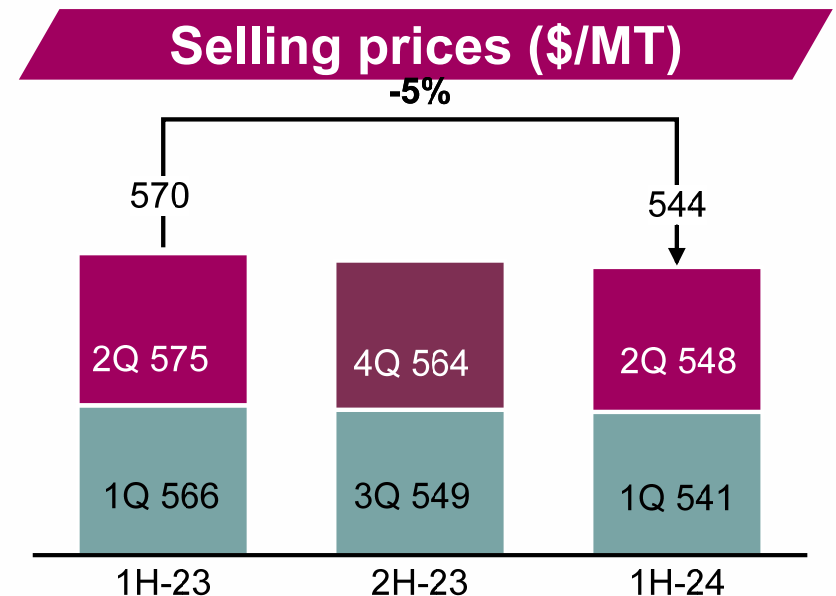
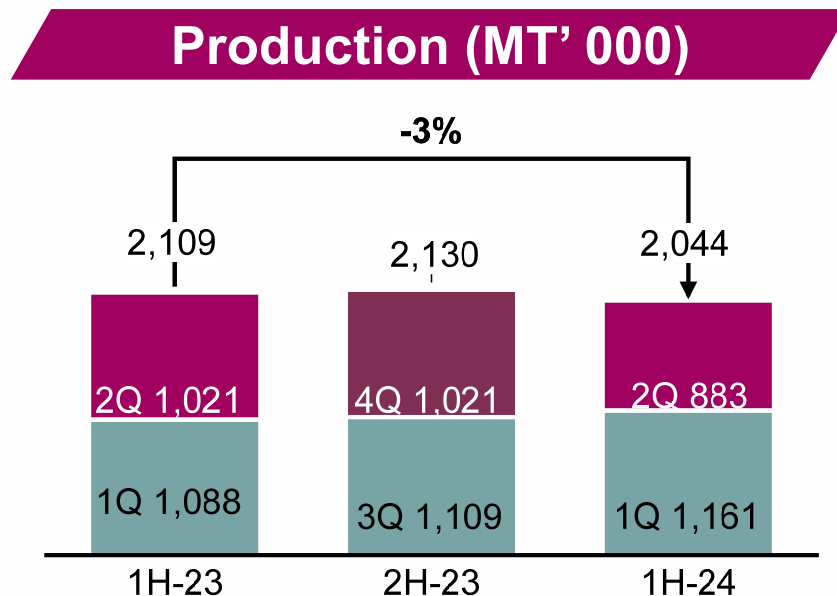


\* **Note:** Based on the recent decision to mothball certain facilities of Qatar Steel, wef 01 April 2020, the name plate capacities have resized.

# Results: Steel

Analysis of production & selling prices

- **Production:** Production declined compared to same period of last year primarily lower operating rate, mainly due to challenging demand conditions;
  - *Production volumes decreased compared to previous quarter, on account lower production within Doha facilities due to planned maintenance.*
  
- **Selling Prices:** declined versus same period last year, on account of softening domestic steel prices coupled with slowdown in international steel markets;
  - *Prices marginally inclined compared to the previous quarter.*

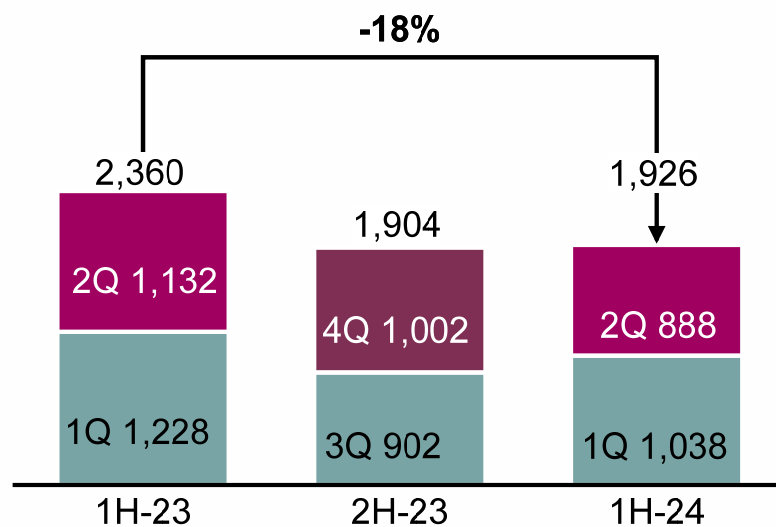


# Results: Steel

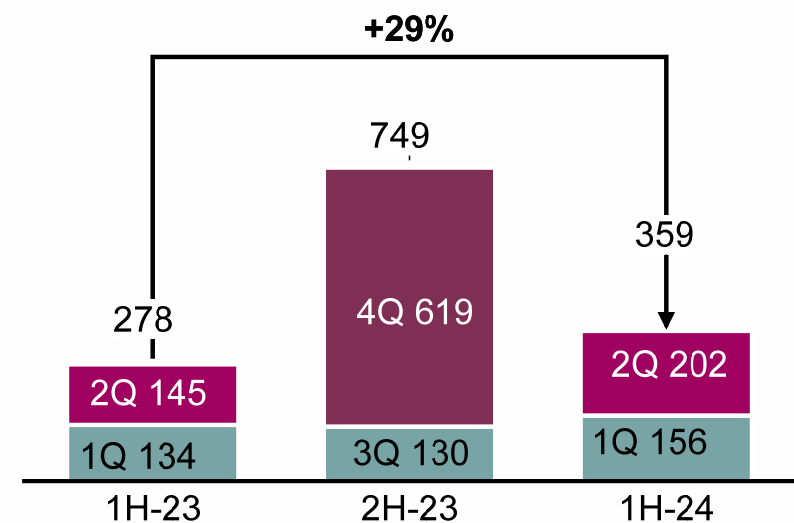
Analysis of segment revenue & net profit

- **Revenue:** Down compared to the same period last year, due to combined effect of lower prices and volumes. Both prices, and volumes were impacted by challenging construction markets both internationally and domestically;
  - *Revenue decreased compared to previous quarter, due to lower sales volumes amid lower production, being partially offset by marginally higher selling prices.*
- **Net Profit:** Up compared to the same period last year, primarily due to lower operating costs on account of lower volumes and favorable inventory changes together with reversal of bank guarantee that were provided to one of its associates.
  - *Profitability increased compared to previous quarter, mainly on account of reversal of bank guarantee that were provided to one of its associates.*

## Revenue (QR' billion)

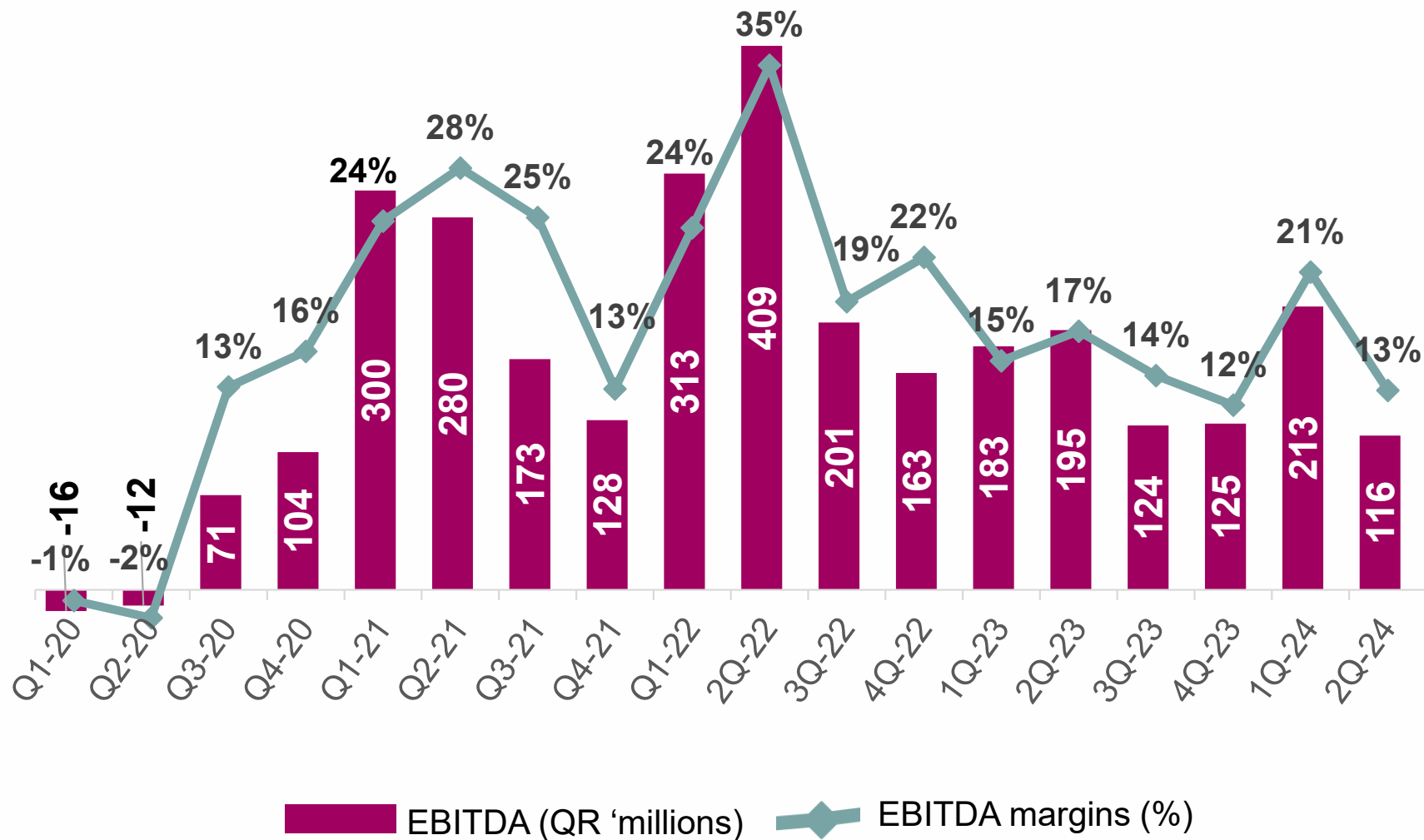


## Net profit (QR' million)



# Results: Steel

Analysis of segment EBITDA margins

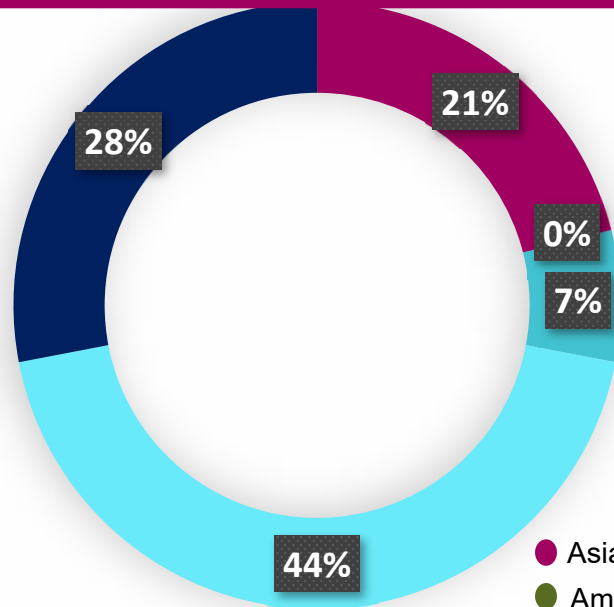


# Results: Steel

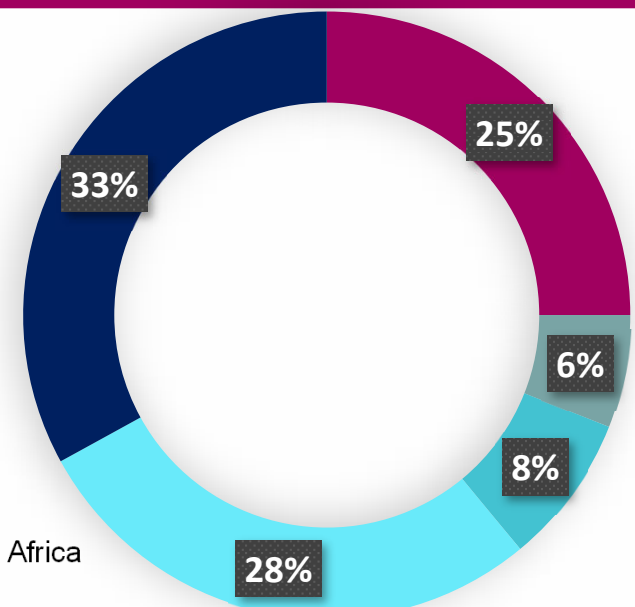
## Geographical analysis of segment revenue

- Starting from 2Q-20, the Group decided to temporarily re-adjust capacity of domestic operations within the Steel segment to 0.8 million MT per annum of rebar (applicable to Qatar Operations) with an intent to primarily cater local sector demand, amid higher competition and declining margins internationally. However, due to the improvement in the international prices, the segment was also able to sell some of the quantities in the international market on opportunistic basis.
- The segment restarted DR-2 facility during 1Q-22, by temporarily mothballing DR-1 facility, which was operational until the end of 2021. DR-2 has a production capacity of 1,700k MT's per annum of DR compared to DR-1 that has an annual capacity of 800k MT's per annum.
- Switch in mothballing of facilities would provide an opportunity of approximately 400k MT's of DRI / HBI per annum to be sold directly, mostly in the international markets.

1H-24 Segment Revenue (%)



1H-23 Segment Revenue (%)



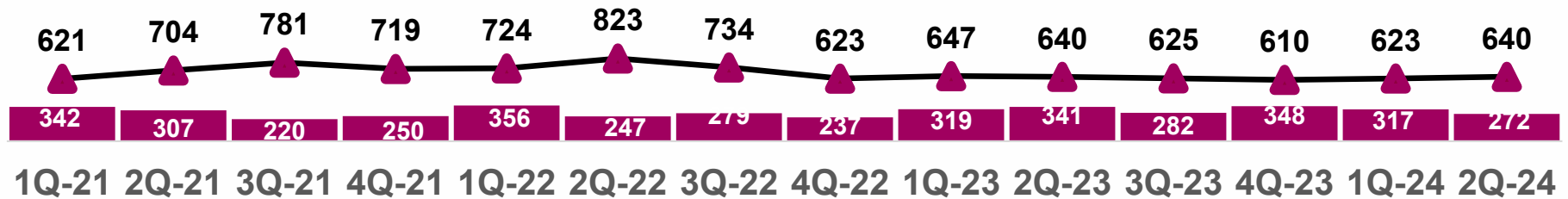
● Asia   
 ● Middle East   
 ● Qatar   
 ● Africa  
● America   
 ● Indian sub-continent



# Results: Steel

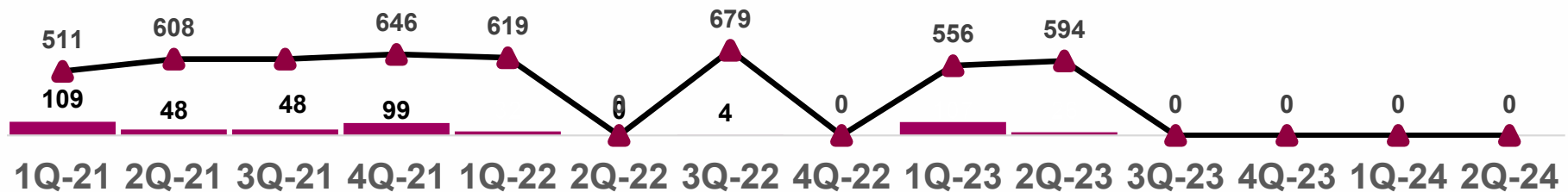
Key segment products analysis

## Rebars



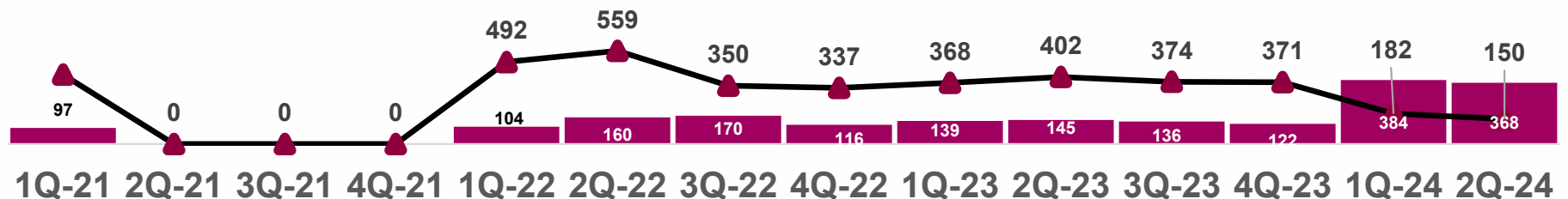
Prices have improved on quarterly basis, whilst the sales volumes have declined marginally.

## Billets



Sales of billets remained opportunistic depending on the market conditions and availability of excess billets, where most of the production of billets is used for Rebar production.

## DRI/HBI



Qatar Steel started to sell additional DRI /HBI volumes following the restart of DR-2 facilities in 1Q-22, and the volumes continued to remain consistent since then.



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# CAPEX (2024F – 2028F)

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# CAPEX (2024F – 2028F)

- CAPEX / PUD spend of **QR 10.8** billion ▪ major capacity addition in fertilizer segment (QR 4.2 bn in Qafco 7), PVC in QAPCO (via QVC) ▪ other CAPEX include turnaround (QR 2.2 bn), investment projects (QR 3.6 bn)
- **QAPCO (capex of QR 1.4 billion)**
  - QR 0.2 billion of related to major projects / operations related projects (*Boiler and Electrical Network updates*), Operations, IT & routine CAPEX of QR 0.3 billion;
  - Turnaround / reliability related CAPEX of QR 0.5 billion;
  - PUD / Capacity additions QR 0.3 billion (PVC project).
- **QAFAC (capex of QR 0.4 billion)**
  - Turnaround & annual maintenance (2024 / 2028) QR 0.3 billion, other routine CAPEX of QR 0.1 billion ▪ no capacity related CAPEX;
- **QAFCO (capex of QR 8.3 billion)**
  - Qafco 7 (QR 4.4 billion, spent to date QR 0.2 billion, fully equity funded);
  - Investment Projects (QR 3.5 billion) ▪ projects include A2 optimization (QR 0.5 bn), NZLD (QR 0.4 bn), flame gas detection (QR 0.2 bn) & New Desalination Unit (0.2 bn)
  - Turnaround expenses QR 1.4 billion
- **Qatar Steel (capex of QR 0.7 billion)**
  - Operational improvement (QR 0.2 bn), replacement CAPEX (QR 0.1 bn), other routine capex (QR 0.3 bn)
  - Capex related to Al-Qataria Operations (QR 0.1 bn)
  - Turnaround not capitalized but expensed periodically.

## CAPITAL EXPENDITURE BY TYPE

| QR Bn                    | 2024       | 2025       | 2026       | 2027       | 2028       | Total       |
|--------------------------|------------|------------|------------|------------|------------|-------------|
| Turnaround               | 0.4        | 0.5        | 0.3        | 0.5        | 0.40       | 2.0         |
| Major Project / Inv /PUD | 2.0        | 1.0        | 0.8        | 0.0        | 0.0        | 3.9         |
| Ops / Tech Road Map      | 1.1        | 1.2        | 0.5        | 0.5        | 0.2        | 3.6         |
| IT, IS & Support         | 0.0        | 0.0        | 0.0        | 0.0        | 0.1        | 0.1         |
| Routine Capex            | 0.4        | 0.3        | 0.2        | 0.4        | 0.1        | 1.3         |
| <b>Group</b>             | <b>3.9</b> | <b>2.9</b> | <b>1.8</b> | <b>1.4</b> | <b>0.7</b> | <b>10.8</b> |

## CAPITAL EXPENDITURE BY VENTURE

| QR Bn        | 2024       | 2025       | 2026       | 2027       | 2028       | Total       |
|--------------|------------|------------|------------|------------|------------|-------------|
| QAPCO        | 0.7        | 0.3        | 0.1        | 0.1        | 0.1        | 1.4         |
| QAFAC        | 0.1        | 0.1        | 0.0        | 0.3        | 0.0        | 0.4         |
| QAFCO        | 3.0        | 2.4        | 1.5        | 1.0        | 0.5        | 8.3         |
| QS           | 0.1        | 0.2        | 0.2        | 0.1        | 0.1        | 0.7         |
| <b>Group</b> | <b>3.9</b> | <b>3.0</b> | <b>1.8</b> | <b>1.4</b> | <b>0.7</b> | <b>10.8</b> |

**Note:** The CAPEX figures for the years 2024-28 are based on the 2024 approved budget and business plan, based on the expectations of the market conditions and commodity prices forecasted at the time of finalizing the 2024 budget & business plan.

With current market conditions and commodity price trends, the forecasts as disclosed in the above table cannot be relied on with absolute certainty, where, the actual realization of these figures might significantly differ as compared to these projections, subject to the macroeconomic conditions, including, among other factors, business environment, market dynamics, product prices etc. prevailing in that specific year. The Board may defer, delay or cancel projects based on market outlook and economics.

# Blue Ammonia Project

Blue Ammonia is produced when the CO<sub>2</sub> generated during conventional Ammonia production is captured and stored

## Key Highlights

*Building World's largest Blue Ammonia facility*

**New Ammonia Train**  
100% owned by IQ (via QAFCO)

**EPC awarded valued at USD 1.06 bn**

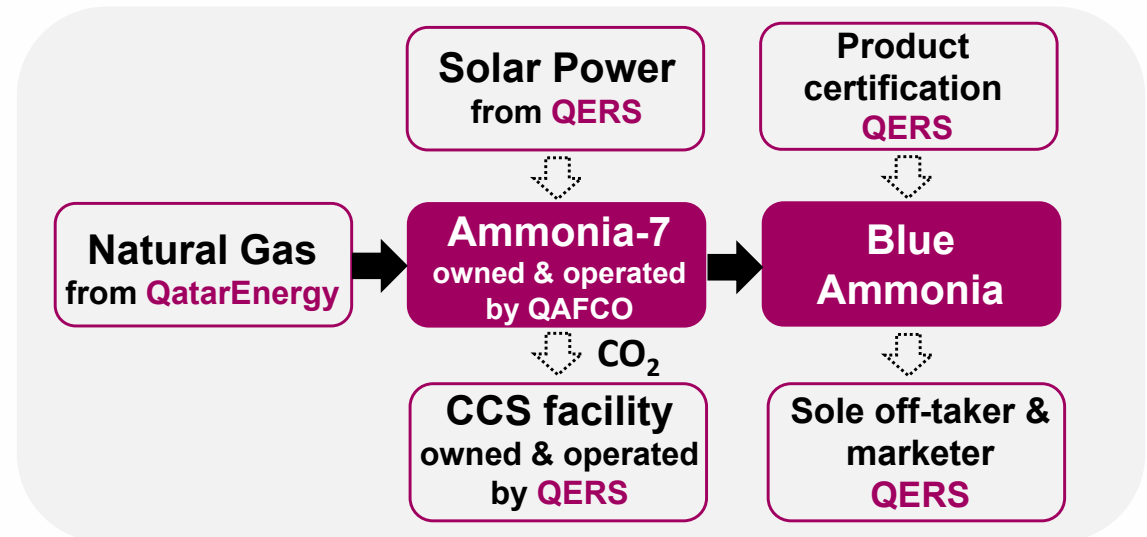
**Capacity up to 1.2 million mtpa of Blue Ammonia**

**Ready for startup Q1 2026**

**Project fully integrated with QAFCO**

**Fully funded by QAFCO's internal sources of funds**

## Strategic Partnership with QERS<sup>1</sup>



## Key uses of Blue Ammonia

### Existing uses

**Fertilizers, Refrigeration, Textiles & Pharmaceuticals**

### Expanded uses

**Electricity generation, Transport fuel & Heat transfer**

42 1: QatarEnergy Renewable Solutions is a wholly owned affiliate of QatarEnergy entrusted with investing in and marketing of renewable energy and sustainability products & solutions within the State of Qatar and across the globe.



# New PVC Project & QVC restructuring

## Key Highlights of New PVC project

*First PVC plant in the State of Qatar*

Nameplate capacity of **350k mtpa** Suspension PVC

EPC awarded valued at **USD 239 million**/ Total project cost **USD 279 million\***

Project **fully integrated** with existing QVC facilities

Construction expected to be completed by **mid-2025**

Source feedstock (i.e., Vinyl Chloride Monomer (VCM)) from the existing facilities

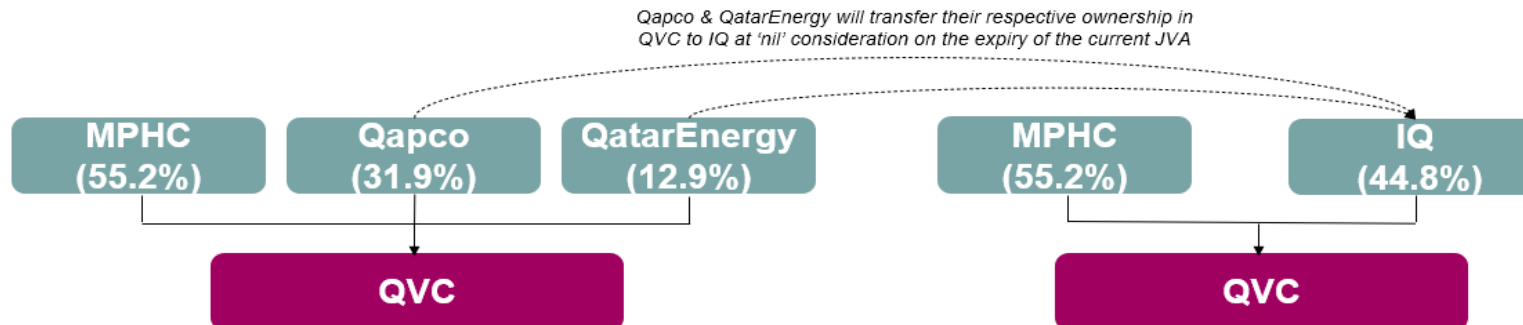
**IQ will fund 44.8% of the project**; remaining funding by MPHC

## QVC restructuring

*after expiry of current JVA on 1<sup>st</sup> May 2026*

### Current ownership structure of QVC

### New ownership structure of QVC – with effect from the date of the new JVA



**NOTE:** QAPCO will continue to operate QVC, including the new PVC plant, under a plant operating and services agreement.

\* Total project cost of USD 279 million includes EPC contract value, owner cost (allocation of shared service cost) and other contingencies.

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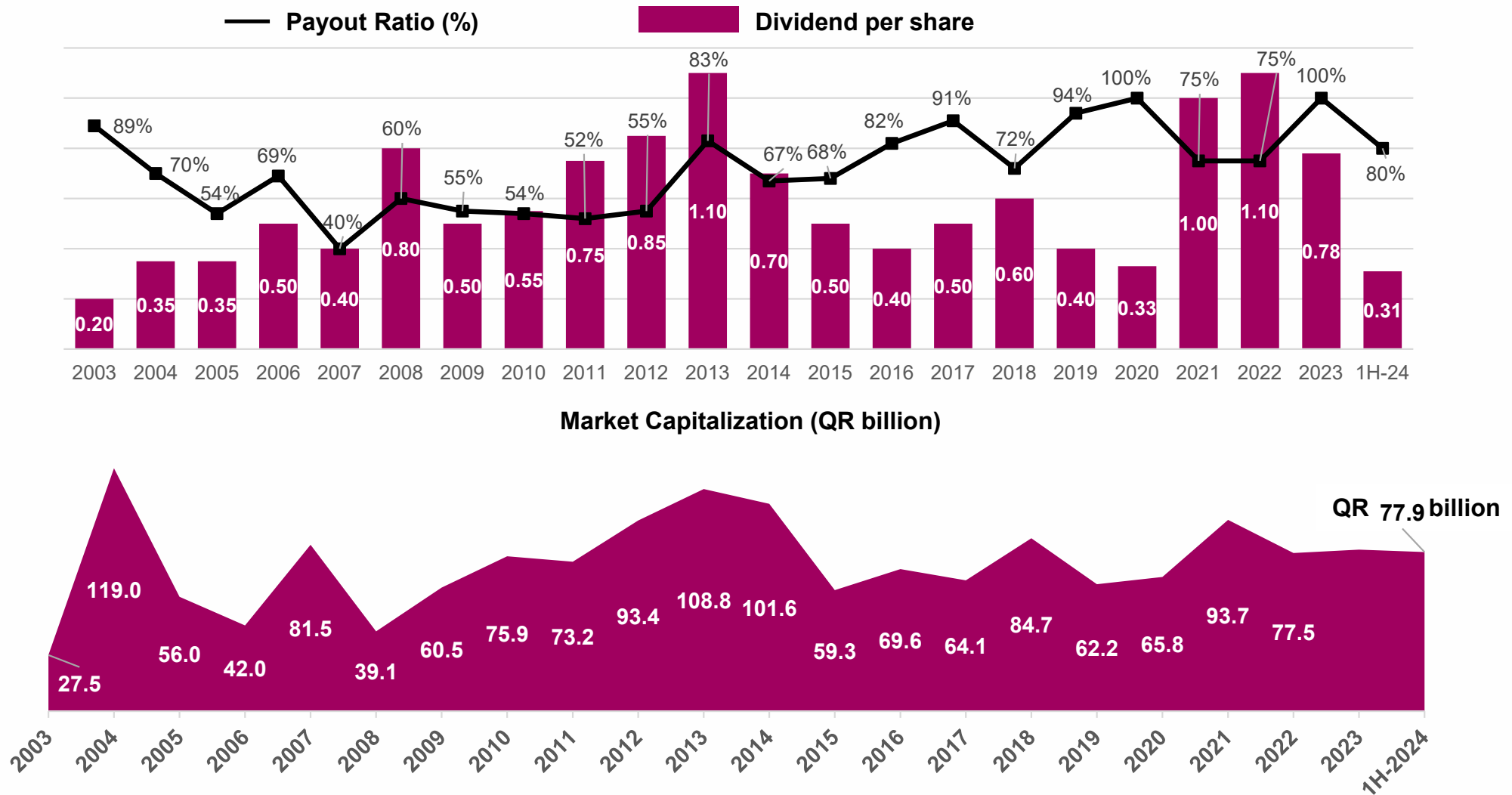
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# Dividends and market capitalization

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# Dividends & Market Capitalization



- **On 12th August 2024**, the Board decided to distribute semi-annual dividend to the shareholders, inline with applicable regulations.
- The Company was included on the MSCI Qatar Index in May 2014.



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# Historical performance (2016 - 2023)

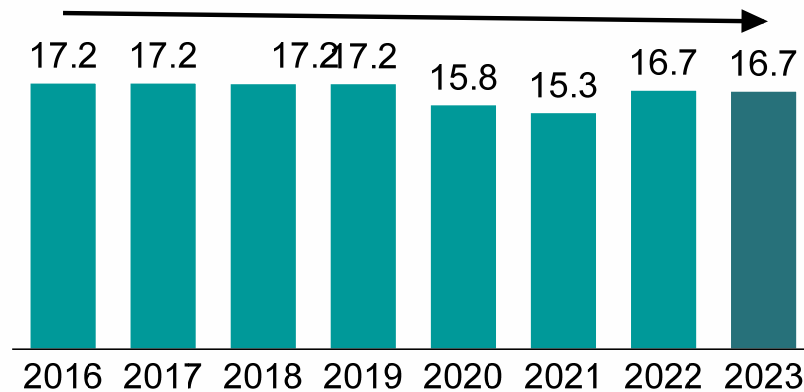
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# Historical performance (2016 - 2023)

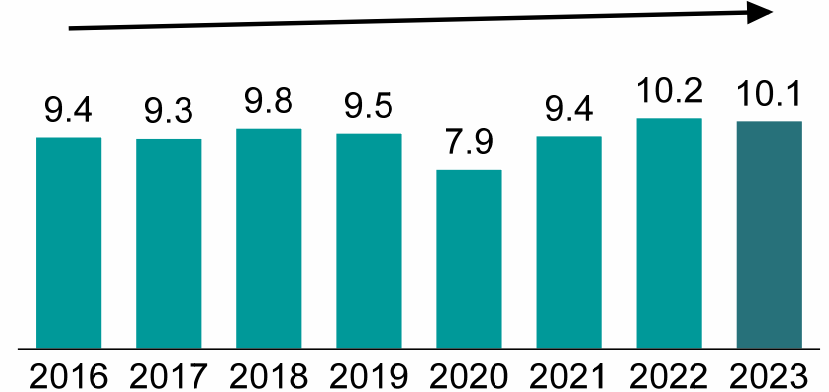
## Production (M MT's)

CAGR 0%



## Sales Volumes (M MT's)

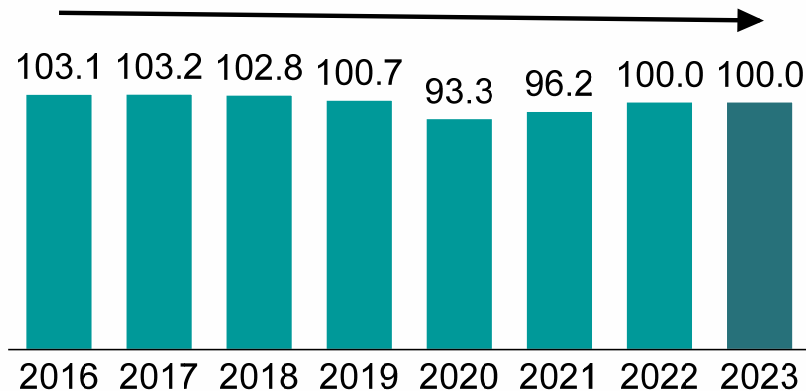
CAGR +1%



- Production volumes and utilization rates remained steady since 2016
- Movement sales volumes remained inline with the overall movement in production volumes
  - Selling prices were influenced by macroeconomic cycles

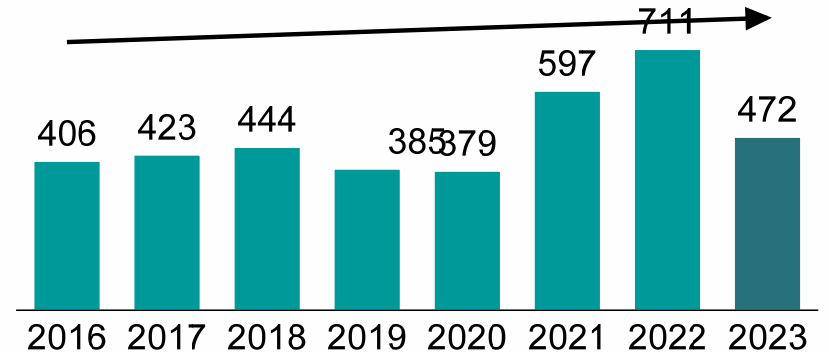
## Utilization (%)

CAGR -0.4%



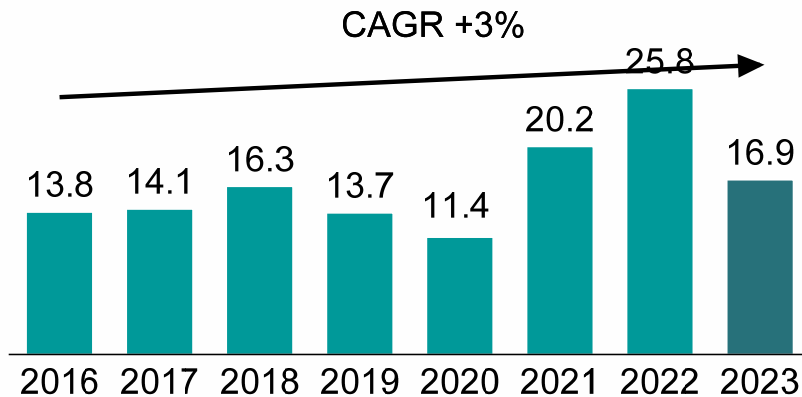
## Selling Prices (USD / MT)

CAGR +2%

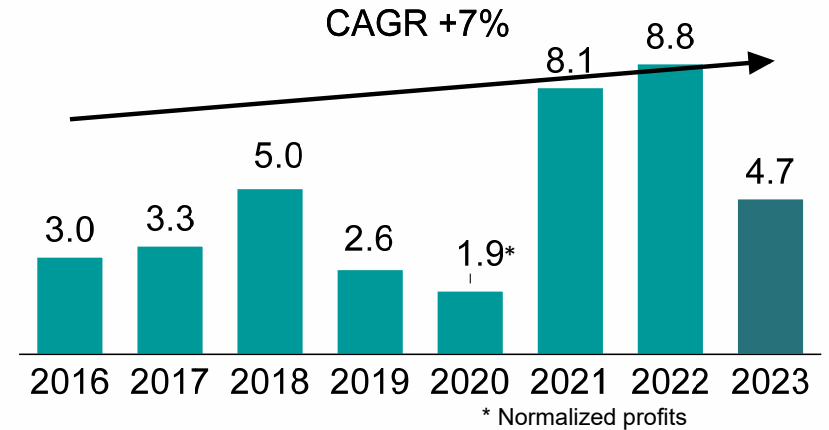


# Historical performance (2016 - 2023)

## Revenue (QR Bn)

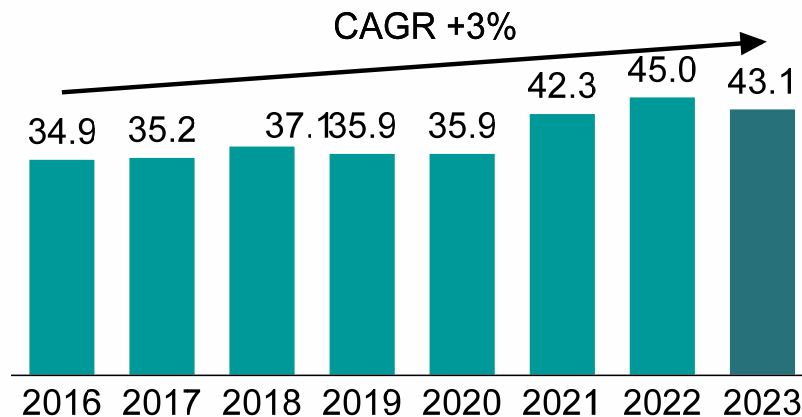


## Net income (QR Bn)

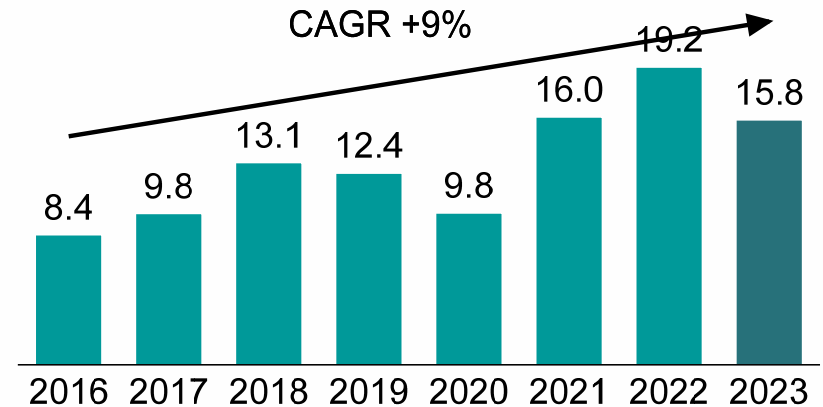


- Revenue trends moved in line with the selling prices
- Movements in revenue together with operating costs affected the net income growth
- Cash flow generation for the Group remained robust, despite cyclical profitability.

## Total Assets (QR Bn)



## Net Cash / (Debt) (QR Bn) under IAS31





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# Governance Structure

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# Governance Structure

## Board Structure

- IQ Board of Directors consists of eight (8) Directors, of whom seven (7) were appointed by the Special Shareholder, which is QatarEnergy and one (1) by General Retirement and Social Insurance Authority (GRSIA).
- QatarEnergy & GRSIA appoints only qualified and eligible Board Directors who are sufficiently experienced to perform their duties effectively in the best interest of the Company and dedicated to achieving its goals and objectives.

## 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.

## Governance and Compliance

- IQ 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 always 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.

## 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 QatarEnergy under a service-level agreement. Accordingly, the salary of the Company's Managing Director, who represents the Executive Management of Industries Qatar, is determined and approved by the Company's Board of Directors. IQ Managing Director do not receive remuneration in his capacity.

### 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.

## 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.

### 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.

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# Sales and Marketing

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# Sales and Marketing

- Qatar Chemical and Petrochemical Marketing and Distribution Company Q.J.S.C. (“Muntajat”), a wholly-owned company of the government of the State of Qatar, has the exclusive rights to purchase, market, sell and distribute the State’s production of Petrochemical and Fertilizer regulated products.
- Marketing and distribution of Steel Products have been shifted to Muntajat in early 2018 after showing positive benefits to the other segments.
- Muntajat integration with QatarEnergy completed during 2020, only related to the operational level, where the marketing team would still be independently managed, hence, this integration will not have any impacts on Industries Qatar.
- Qatar Steel’s marketing activities has now moved back to Qatar Steel with effect from 1<sup>st</sup> September 2020, in line with the new operational strategy, where there will be limited international component.





For further information, **Industries Qatar** can be contacted as follows:

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Address: PO Box 3212, Doha, State of Qatar

Please refer to [www.iq.com.qa](http://www.iq.com.qa) for the latest information, publications, press releases and presentations about Industries Qatar and group companies.