



# Industries Qatar

## Investor Relations Presentation

31 December 2021

*“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.

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 presentation are made as of the date of this presentation.

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

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

# Table of Content

1. About IQ
2. Competitive strengths
3. Regional peer review
4. Macroeconomic updates
5. Group results (For the year ended 31 December 2021)
6. Segment results (For the year ended 31 December 2021)
7. CAPEX and Cash flows (2022F – 2026F)
8. Dividends and market capitalization
9. Historical performance (2015 – 2021)
10. Governance structure
11. Sales and marketing

---

# About IQ

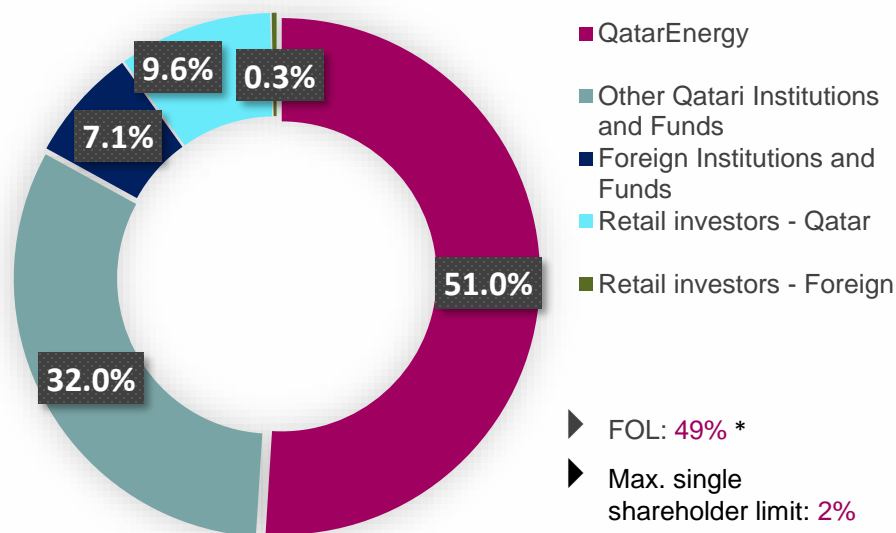
---

# 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 (**A+**; stable) and Moody's (**A1**; 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

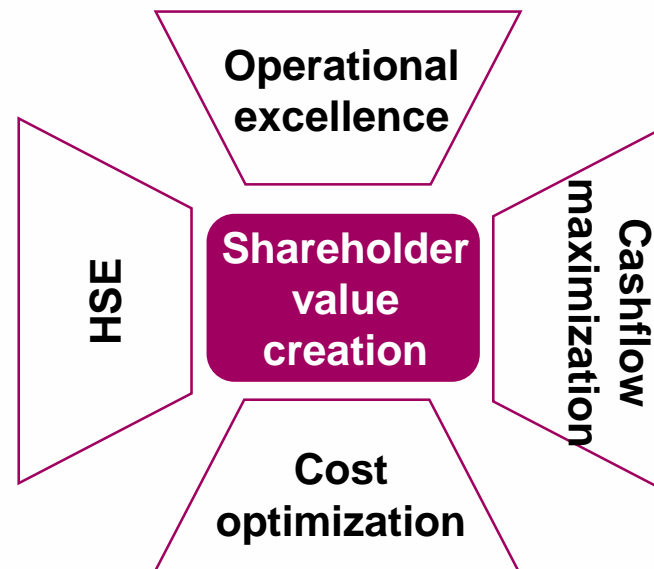


Note: Shareholder data as of 31-Dec-21

5

\*Proposed to increase FOL to 100%, subject to shareholders' approval at EGM and other regulatory approvals.

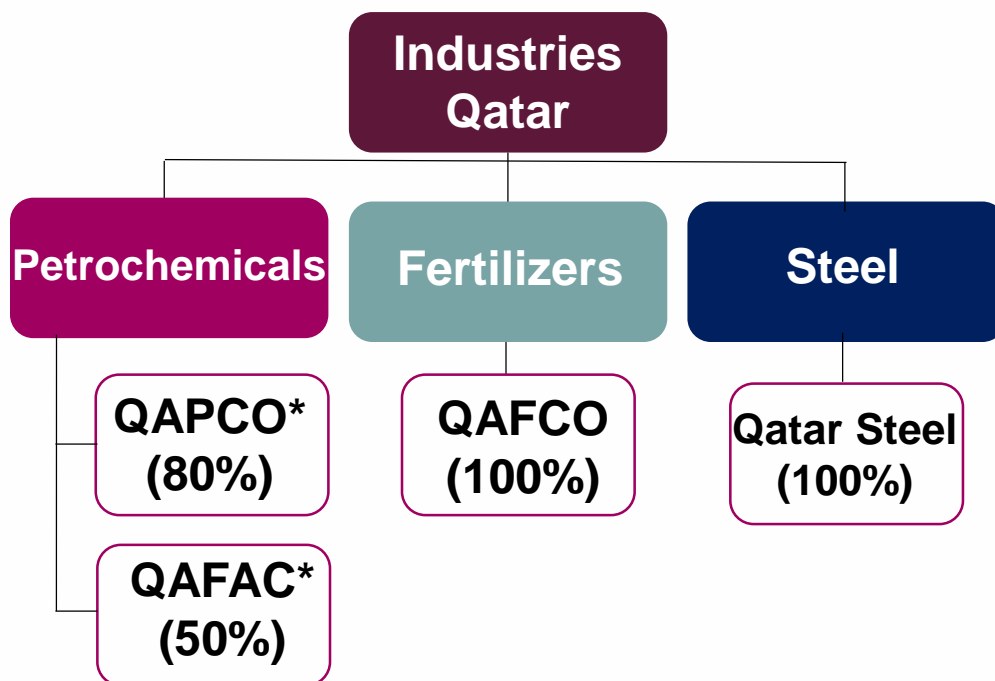
## Core values



# IQ business segments at a glance

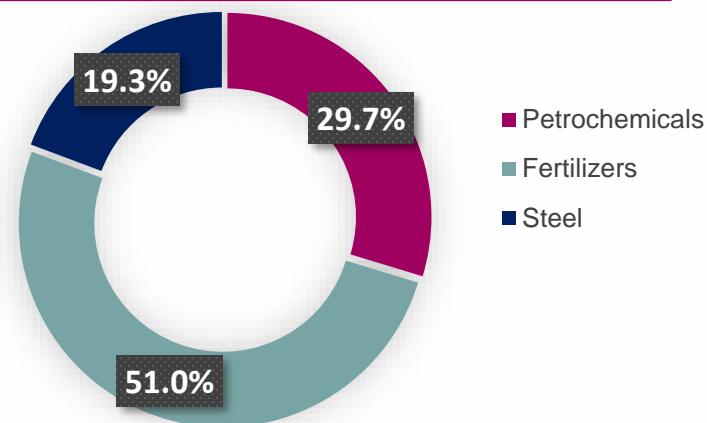
## Business segments overview

- 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.

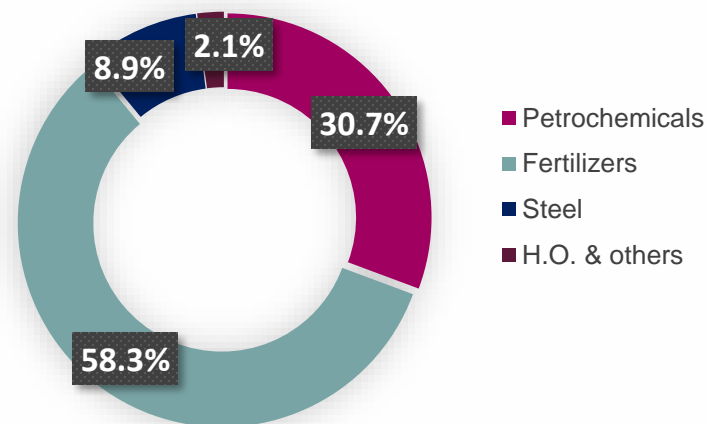


\*Joint venture stake

## Segment size by Revenue



## Segment size by Net Profits



Note: Revenue and net profit data as of 31-Dec-21

---

# Competitive strengths

---

# 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



---

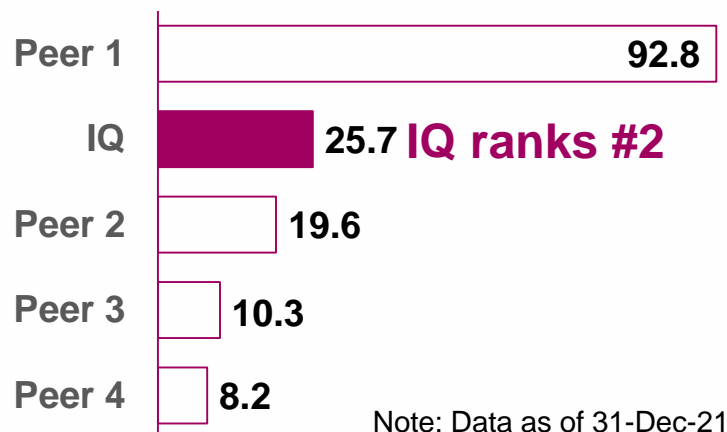
## Regional peer review

---

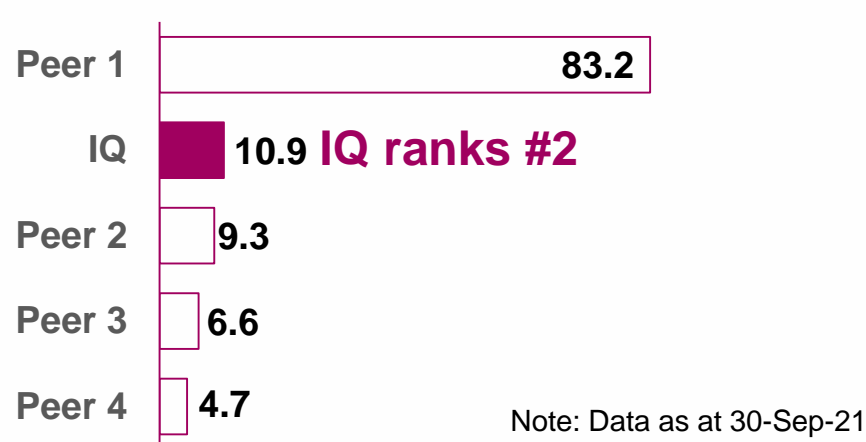
IQ ranked **#28** among  
***“2021 Forbes List of Top 100 Companies in the Middle East”***

# Competitive positioning versus regional peers

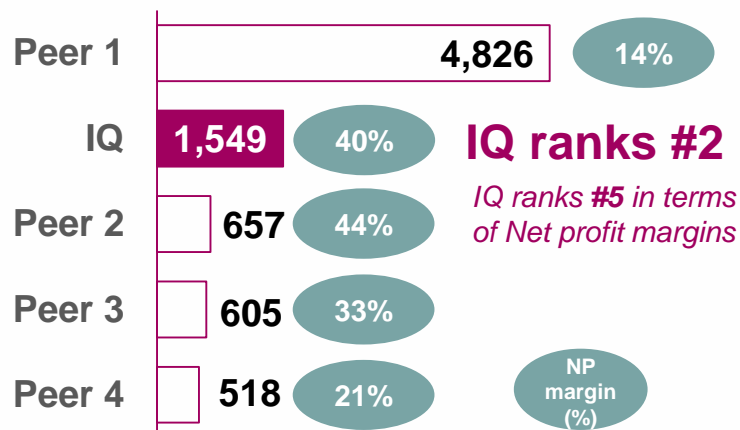
## Market Cap. (USD' billion)



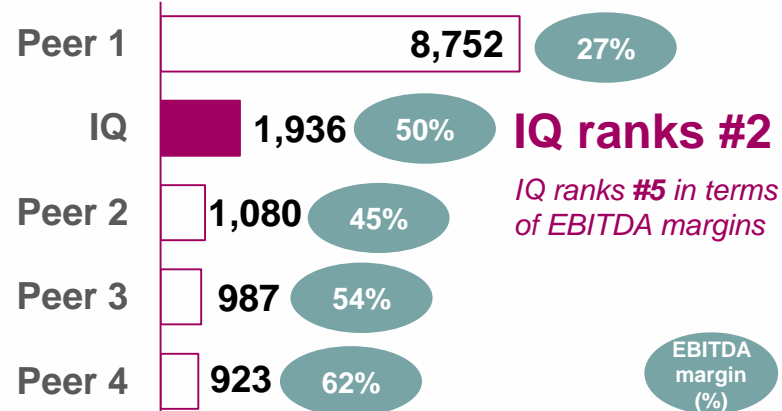
## Total Assets (USD' billion)



## Net profit (USD' million)



## EBITDA (USD' million)



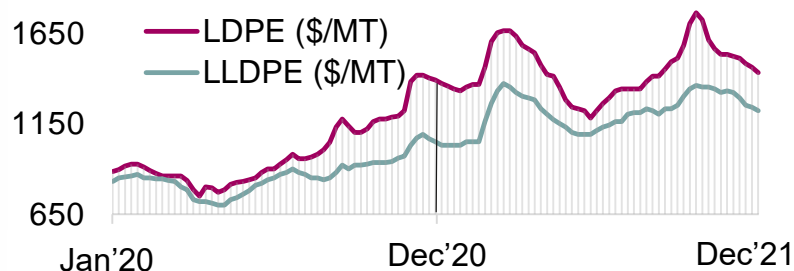
---

# Macroeconomic updates

---

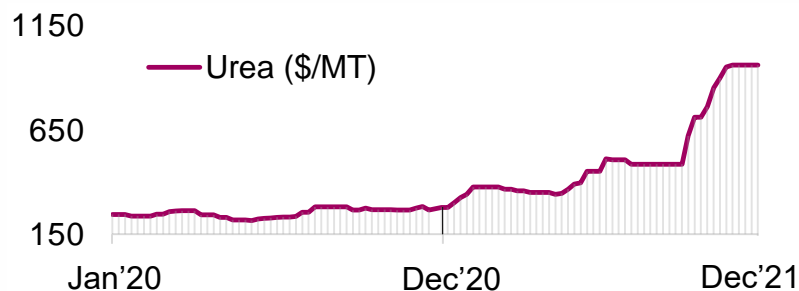
# Macroeconomic updates

## Petrochemicals



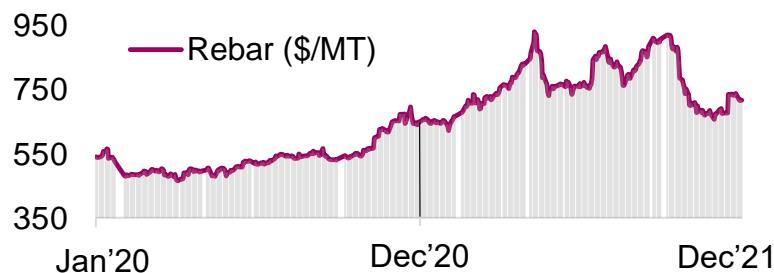
- Elevated consumer spending, continued government stimuli, normalization of investments resulted in an accelerated global GDP recovery, which led to a notable increase in demand for downstream commodities during the year. On the other hand, industry supply remained constrained due to weather calamities in the US, higher energy prices in Europe, dual policy measures in China, coupled with supply chain bottlenecks that remained evident at global scale throughout the year. These factors created a wider supply-demand imbalance across most of the commodities and played pivotal part in persistent inflationary price trends.

## Fertilizers



- Supply chain bottlenecks, together with record high crop prices and higher energy prices in Europe, coupled with restricted fertilizer exports by certain countries has enabled continued positive trajectory of Urea prices.

## Steel



- Steel prices continued its positive trajectory since Q4-20, underpinned by increase in steel demand linked to a rebound in construction activity, coupled with higher raw material costs internationally, especially in early parts of the year. Also, China's recent decarbonization drive has led to depressed plant operating rates locally, creating another layer of supply constraint for the industry. Moreover, within domestic market, prices for locally produced steel remained elevated inline line with international market trends, however prices have slightly softened on account of seasonal effects in the recent months.

---

# **Group results**

## **(For the year ended 31 December 2021)**

---

# YE-21 results at a Glance

*Growth vs. YE-20*

**Revenue**  **77%**  
QR 20.2 billion

**EBITDA**  **152%**  
QR 10.2 billion

**Net profit**  **321%**  
QR 8.1 billion

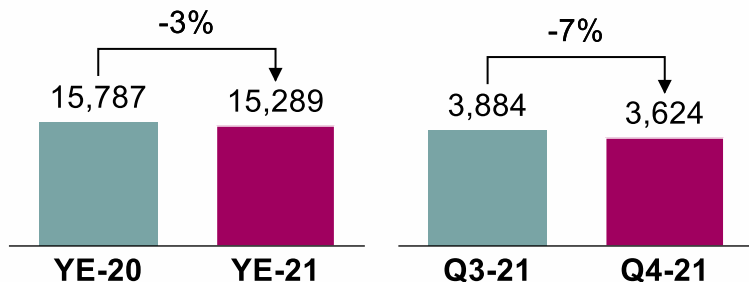
*EBITDA Margin: 50.9%*

*EPS: QR 1.34    RoAE: 22.1%*

- IQ sets another record with highest revenue since incorporation, while benefitting from constructive macroeconomic drivers
- Group's liquidity position continues to remain robust with total cash and bank balances exceeding QR 16.0 billion with no debt
- Prices across IQ's product range remained strong throughout 2021 aided by strong demand, tightened supplies, higher energy prices and supply-chain bottlenecks
- IQ successfully concluded one of its major turnaround programs at its polyethylene facilities during Q4-21 without any major safety incidence

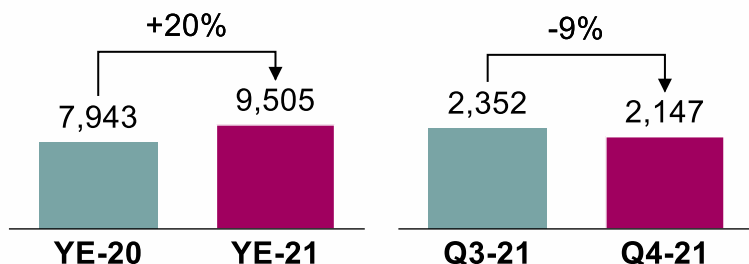
# Operational performance review

## Production (MT' 000)



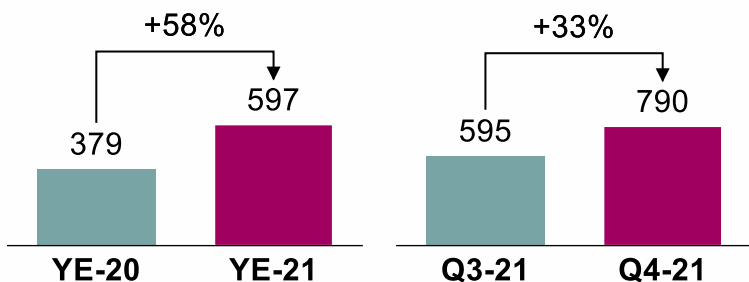
- 2021 production volumes marginally declined compared to last year, mainly due mothballing of certain steel facilities, higher planned and unplanned maintenance shutdowns during the year.
- Q4-21 production levels decreased compared to Q3-21, mainly driven by a major turnaround conducted at Qapco facilities and a planned shutdown within Qafco facilities.

## Sales volume (MT' 000)



- 2021 sales volumes increased versus last year, mainly due to return of full year's sales volumes for Qafco trains 1-4, which was not the case during last year, amid temporary gas processing arrangement. This was partially offset by commercial shutdown at MTBE facilities, planned and unplanned maintenance shutdowns at Qafco facilities, coupled with facility mothballing within the steel segment.
- Q4-21 sales volumes declined in comparison to Q3-21, due to lower volumes from petrochemicals and fertilizers segment, amid maintenance shutdowns.

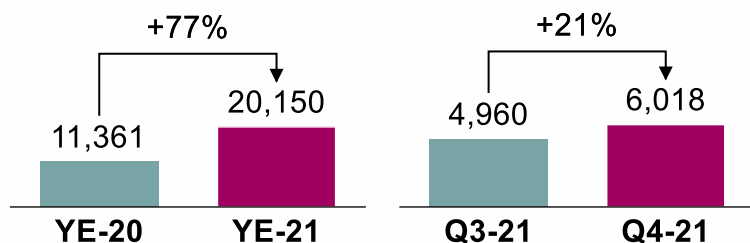
## Selling prices (\$/MT)



- 2021 price trajectory remained positive on account of improved demand driven by macroeconomic tailwinds and higher energy prices. This was coupled with supply constraints and global logistical bottlenecks which remained evident throughout the year.

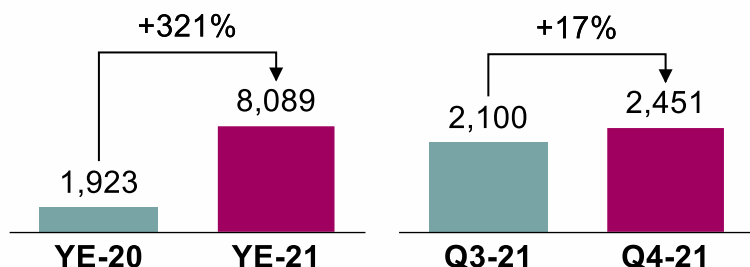
# Financial performance review

## Revenue (QR' million)



- 2021 Group revenue increased significantly versus same period last year, mainly on account of overall increase in blended selling prices and higher sales volumes.
- Q4-21 Group revenue increased in comparison to Q3-21, mainly due to higher product prices, slightly offset by lowered sales volumes.

## Net profit (QR' million)

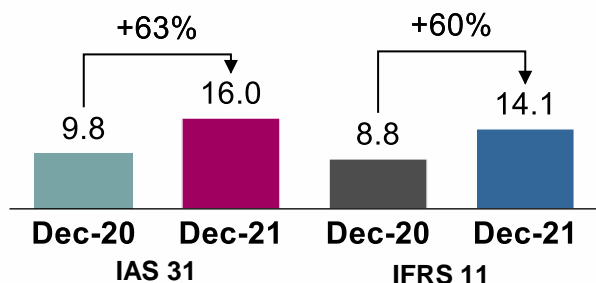


2021 vs 2020: results were significantly improved due to:

- Better price trajectory across the product range; and
- improved margins.

Q4-21 vs Q3-21: profitability improved by 17%, with better selling prices, partially offset by lesser sales volumes.

## Net cash (QR' billion)



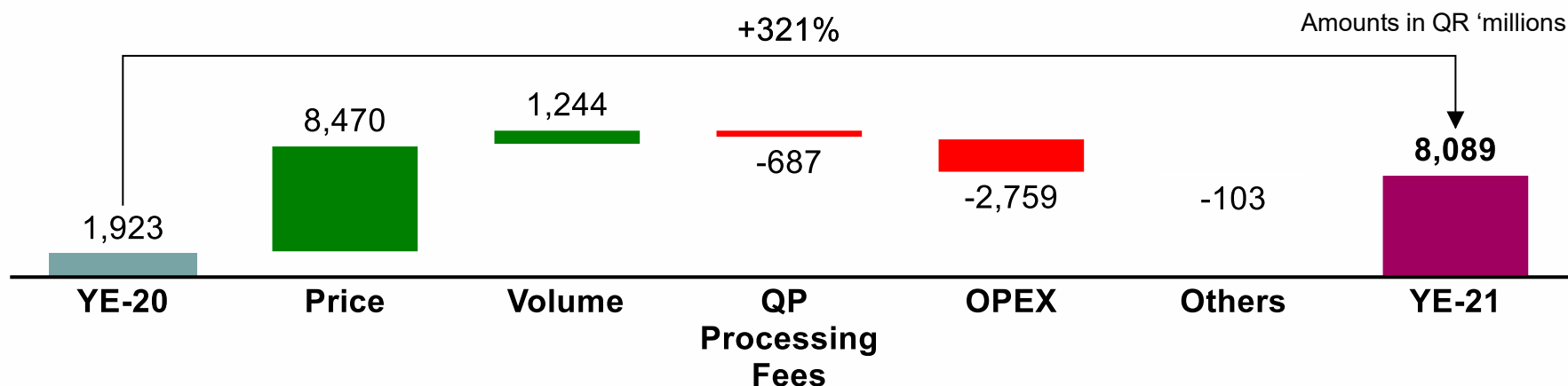
- Total cash across the Group stood at QR 16.0 billion (under IAS 31). Cash increased from last year mainly on account of improved cash generation during the current period, partially offset by payment of 2020 dividends and 2021 CAPEX.
- There is no debt across the Group.



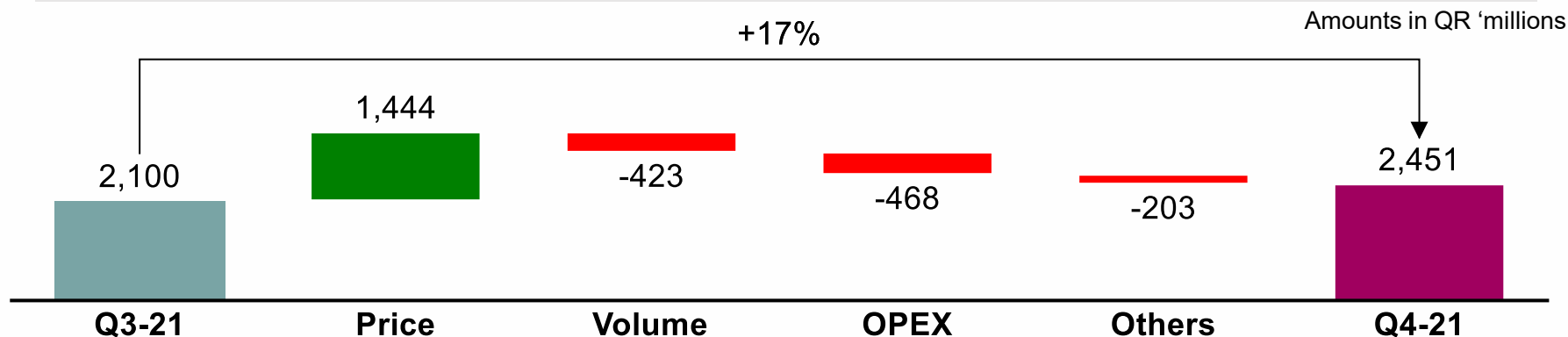
# Net profit variance analysis

**IQ continue to benefit from higher product prices reflected in Group's bottom-line profitability**

## YE'21 vs YE'20

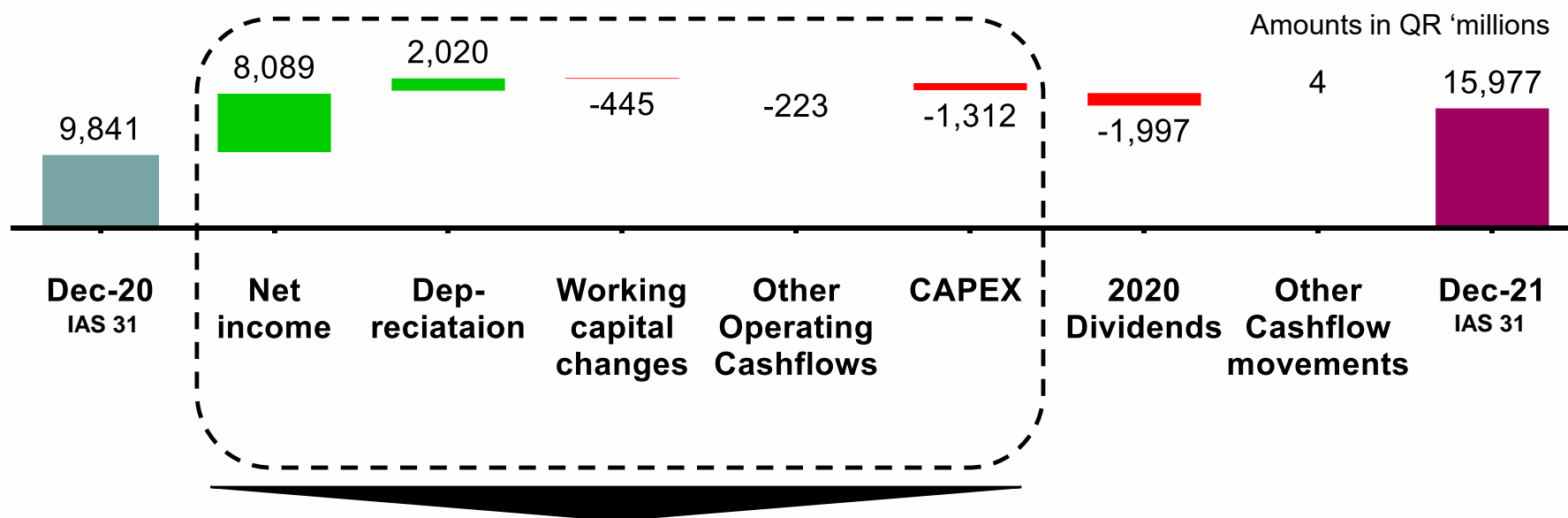


## Q4-21 vs Q3-21



# IQ cash flow generation

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

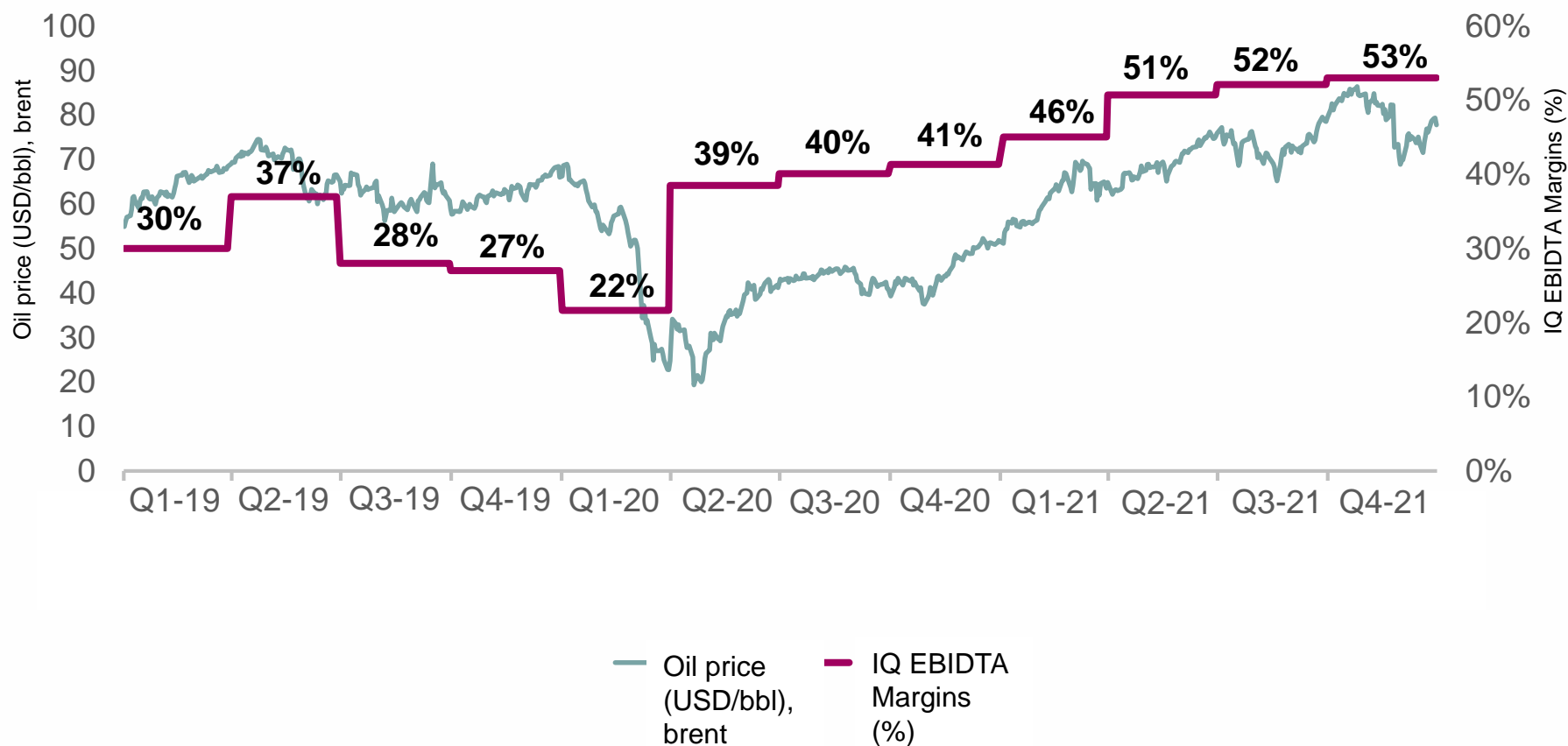


**Free cash flows generated during the financial year ended 31 December 2021:**  
**QR 8.1 billion**

Free cash flows generated during Q4-21:  
QR 2.5 billion

# Robust EBITDA margins

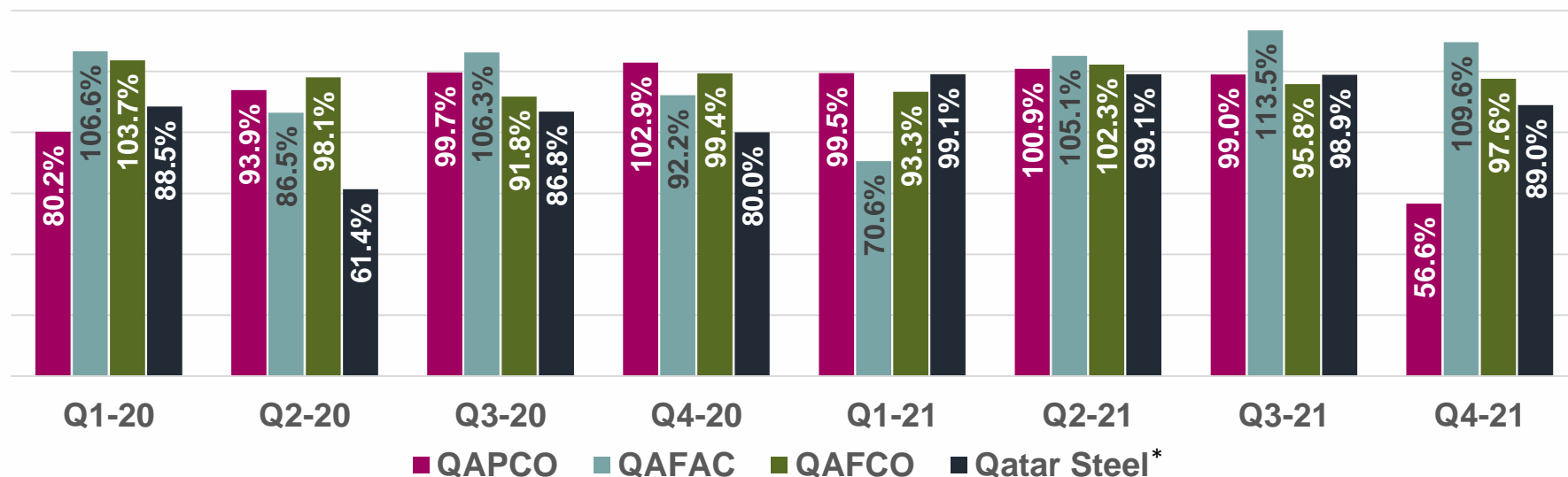
Despite the volatile trends in commodity prices,  
IQ's EBITDA margins continue to remain robust



Source: Oil price (USD/bbl), brent – Bloomberg;  
EBIDTA margins – company data

# IQ's plant operating rates

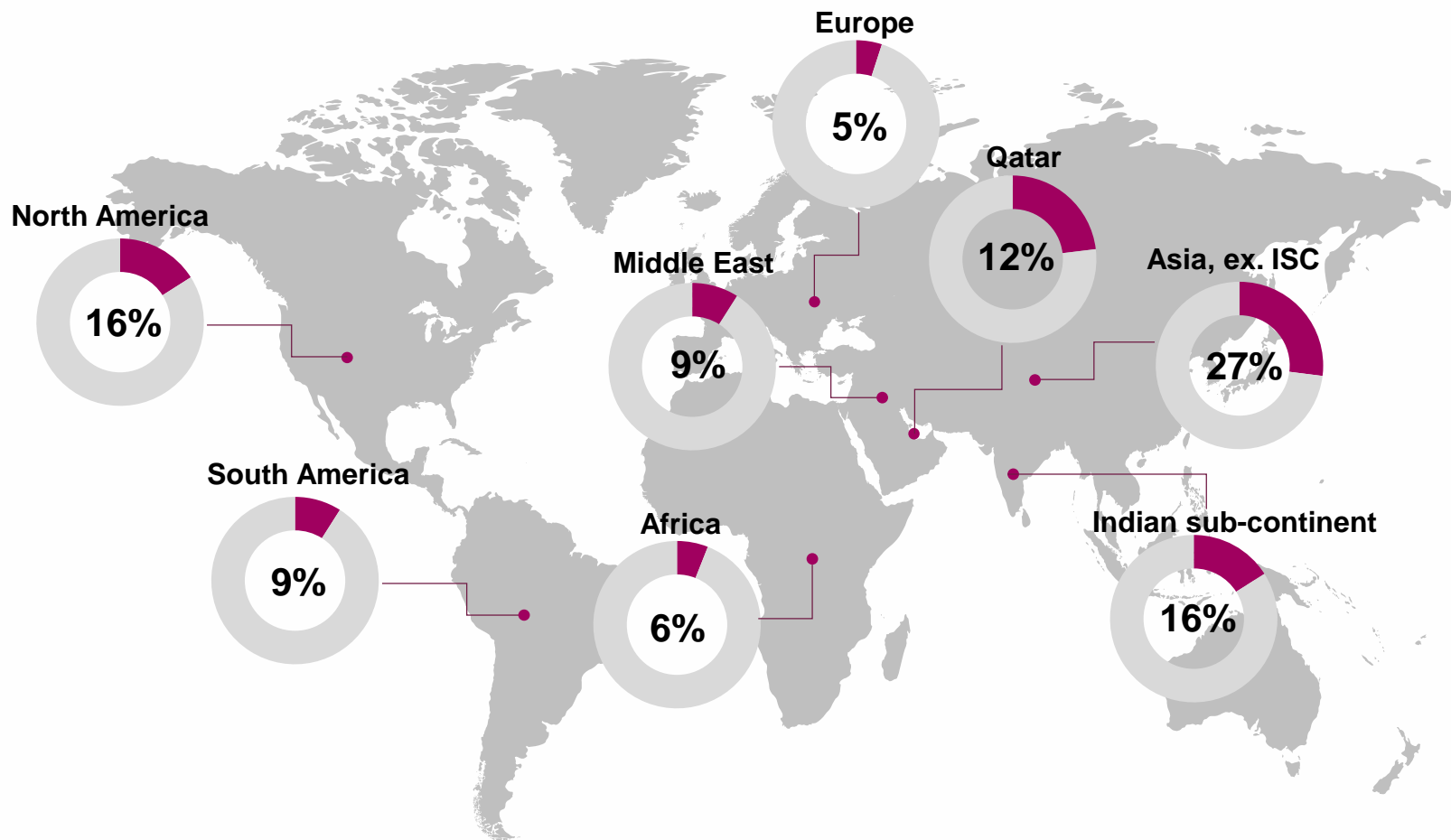
## IQ's plant operating rates remained stable



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

# Geographic analysis – IQ Group revenue

Asia remained Group's largest market, while its presence in Americas and Middle East continued to be substantial



---

## **Segment results**

### **(For the year ended 31 December 2021)**

---

# 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
<b>Total</b>	<b>2,605</b>

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

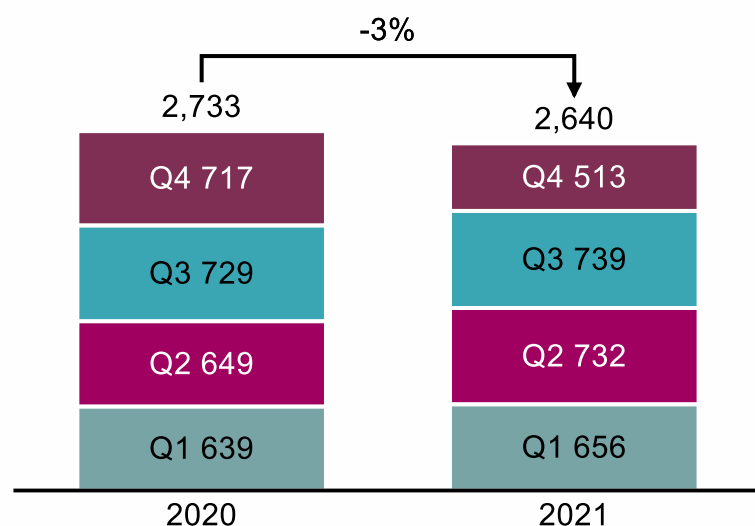


# 2021 results: Petrochemicals

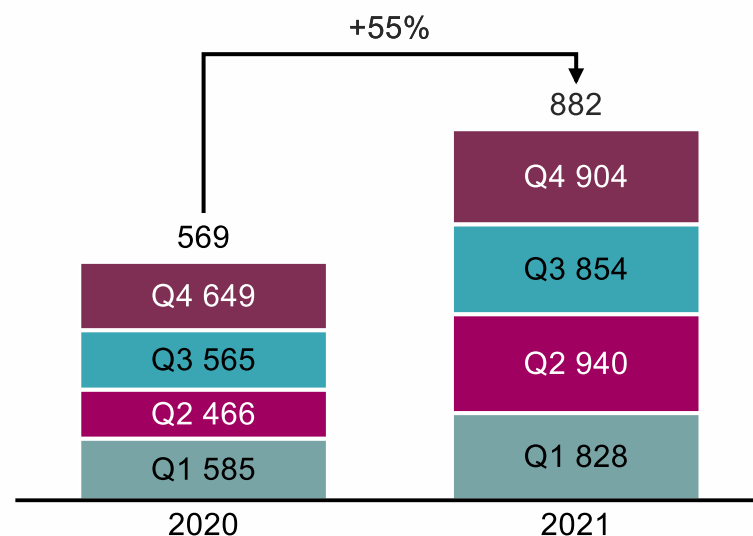
*Analysis of production & selling prices*

- **Production:** Production volumes down by **3%** compared to 2020, due to large scale planned turnaround conducted at Qapco facilities and a commercial shutdown at MTBE facilities;
  - Q4-21 production volumes decreased by **31%** versus Q3-21, mainly as a result of a large scale turnaround at Qapco facilities.
- **Selling Prices:** Up on 2020 by **55%**, due to renewed product demand in major markets, amid improved macroeconomic conditions coupled with supply constraints.
  - Q4-21 selling prices improved compared to Q3-21, with an increase of **6%**, amid higher energy prices and firm demand.

## Production (MT' 000)



## Selling prices (\$/MT)



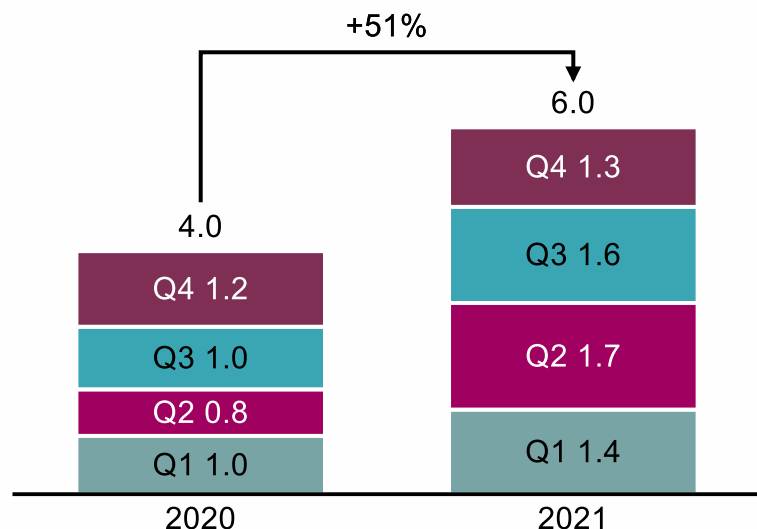


# 2021 results: Petrochemicals

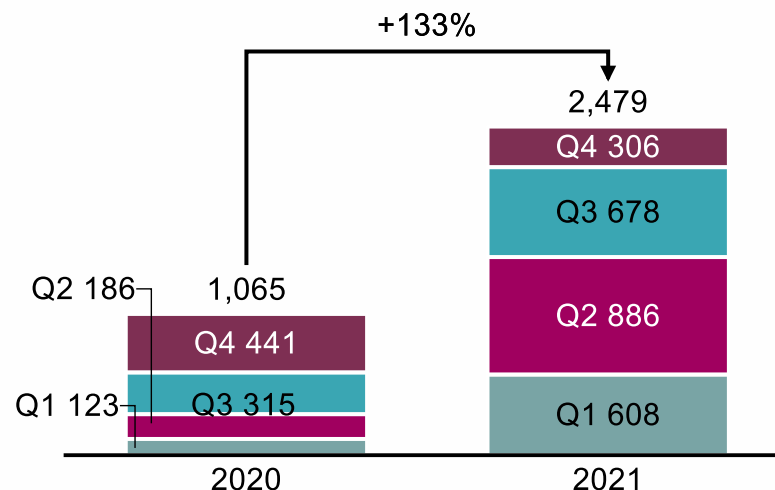
*Analysis of segment revenue & net profit*

- **Revenue:** QR 6.0 billion, up by 51% compared to last year. This increase in revenue was mainly linked to higher product prices (+55%), partially offset by lower sales volumes (-3%);
  - Q4-21 revenue declined by 17% as compared to Q3-21, mainly due to decline in sales volumes (-22%), amid lower production volumes. This was partially offset by higher selling prices (+6%).
- **Net profit:** QR 2.5 billion, up by 133% compared to last year. Improvement was mainly due to the overall growth in segment revenue.
  - Q4-21 net profit decreased by 55% compared to Q3-21 mainly due to a decline in Q4-21 revenues versus last quarter.

## Revenue (QR' billion)



## Net profit (QR' million)

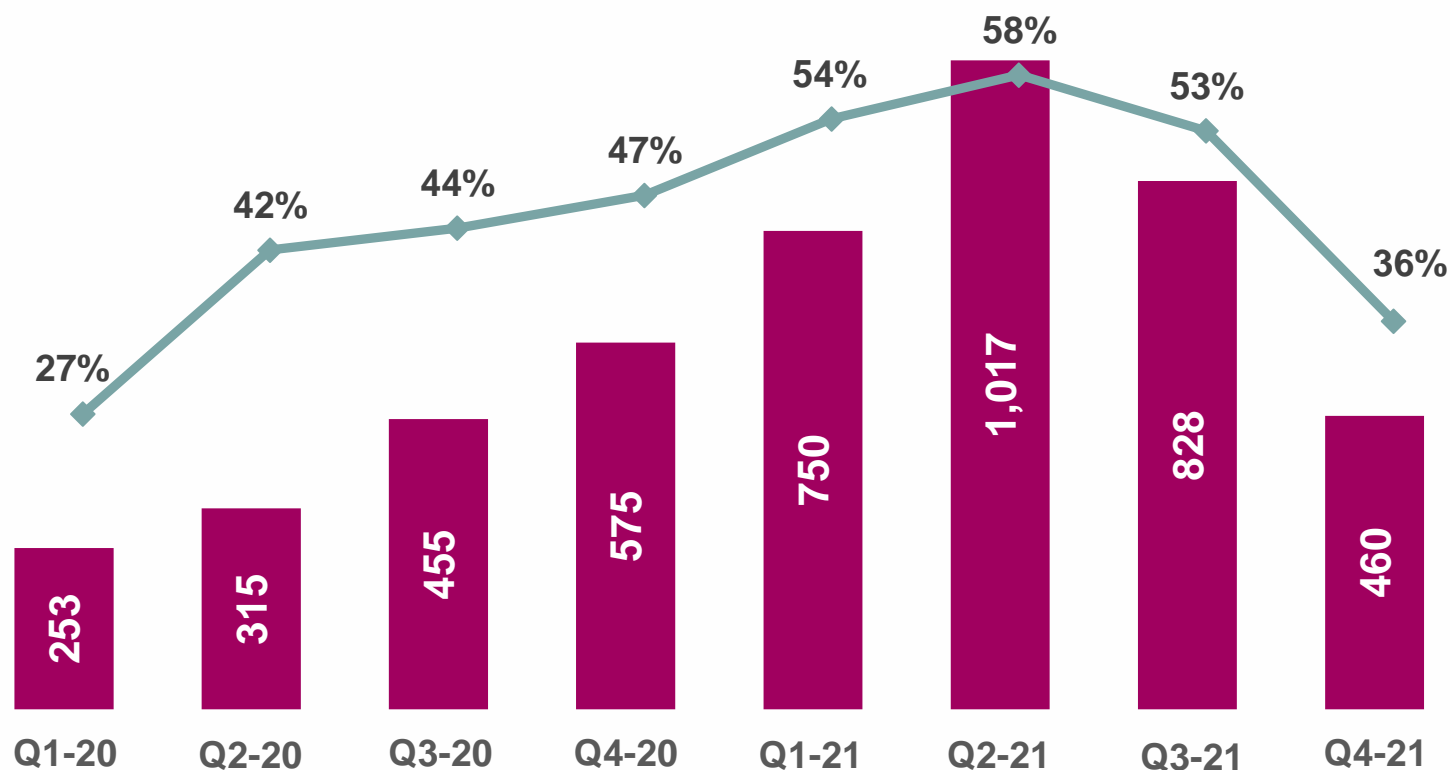


# 2021 results: Petrochemicals

Analysis of segment  
EBITDA margins

## Segment's EBITDA margins continue to remain strong

*During Q4-21, Qapco facilities conducted a large scale turnaround which affected segment's profitability margins due to fixed costs and related one-off OPEX*

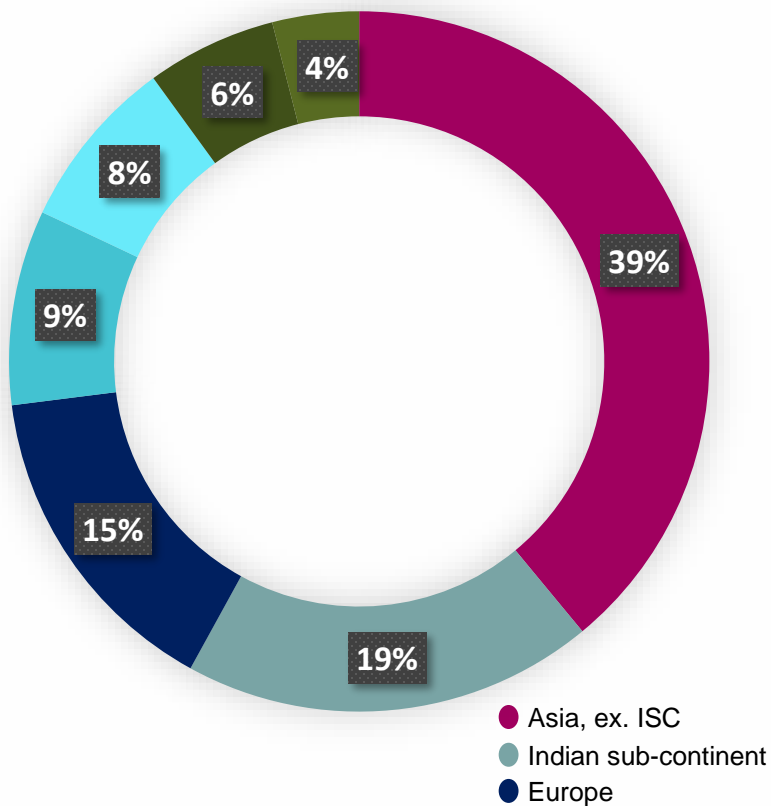


# 2021 results: Petrochemicals

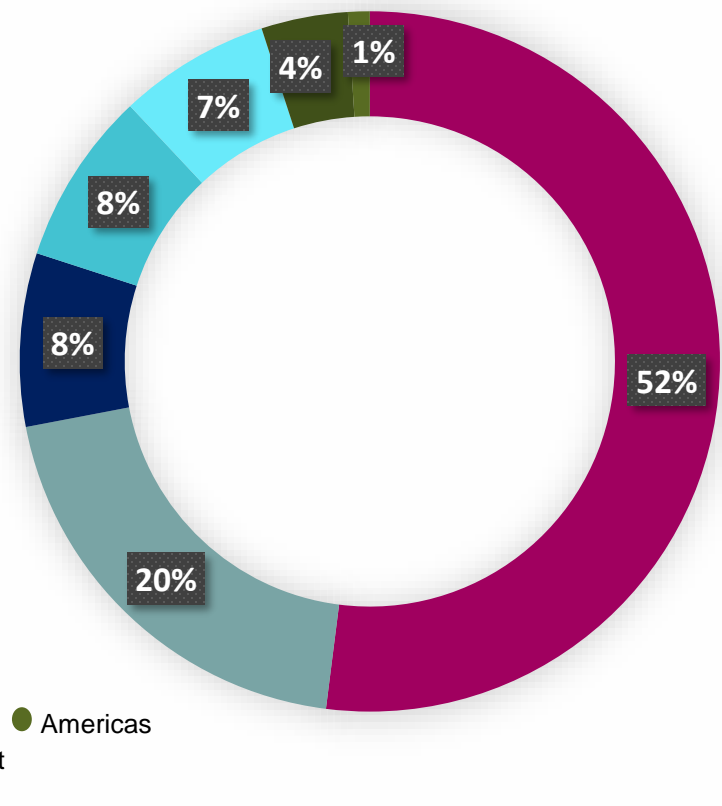
*Geographical analysis of  
segment revenue*

- Asia remains a main market for IQ for Polyethylene (LDPE and LLDPE) and MTBE
- Indian sub-continent remains a key market for Polyethylene (LDPE & LLDPE) and Methanol

**YE-21 Segment Revenue (%)**



**YE-20 Segment Revenue (%)**

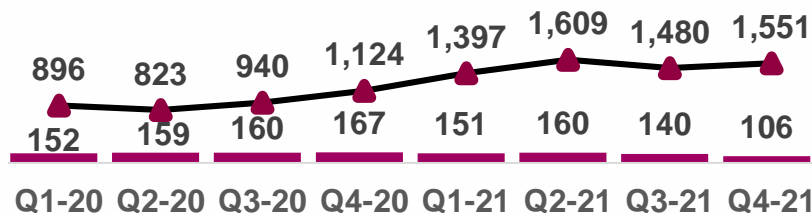


# 2021 results: Petrochemicals

Key segment  
products analysis

## LDPE

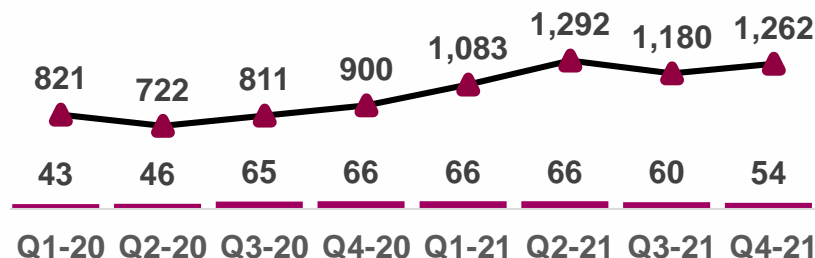
(contributed ~49% of the segment revenue in YE-21)



Sales volumes remained stable since last year. Selling prices showed recovery since later part of last year, on the back of improved macroeconomic conditions and supply constraints, improving overall LDPE price trajectory.

## LLDPE

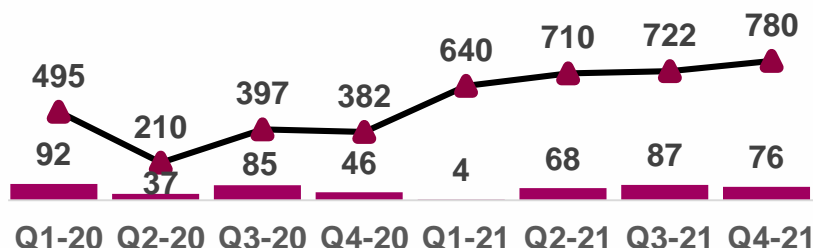
(contributed ~17% of the segment revenue in YE-21)



Sales volumes remained stable since Q3-20. Selling price trajectory remained positive since Q3-20, due to improved demand and ebbd supply.

## MTBE

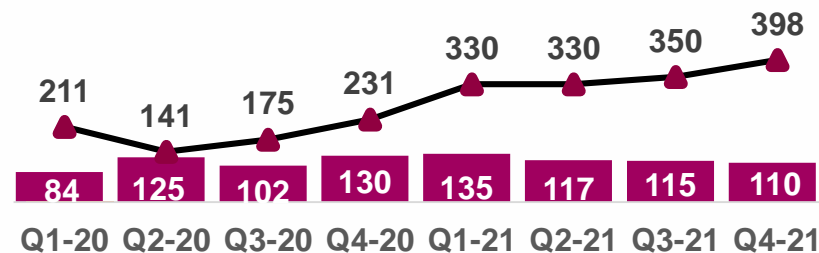
(contributed ~10% of the segment revenue in YE-21)



Sales volumes significantly declined during Q4-20 & Q1-21 as a result of commercial shutdown. MTBE facilities resumed production during Q2-21, as the product prices rebounded.

## Methanol

(contributed ~10% of the segment revenue in YE-21)



Sales volumes remained stable, while selling prices recovered sharply from the troughs during mid last year and continued its positive trajectory during 2021.

# Segmental Details: Fertilizers

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

Product	(in 000 MT PA) Capacity <sup>1</sup>
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).

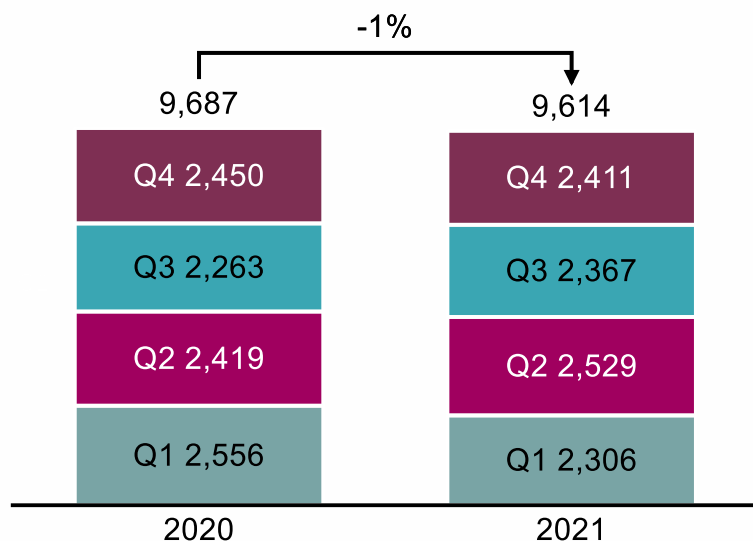


# 2021 results: Fertilizers

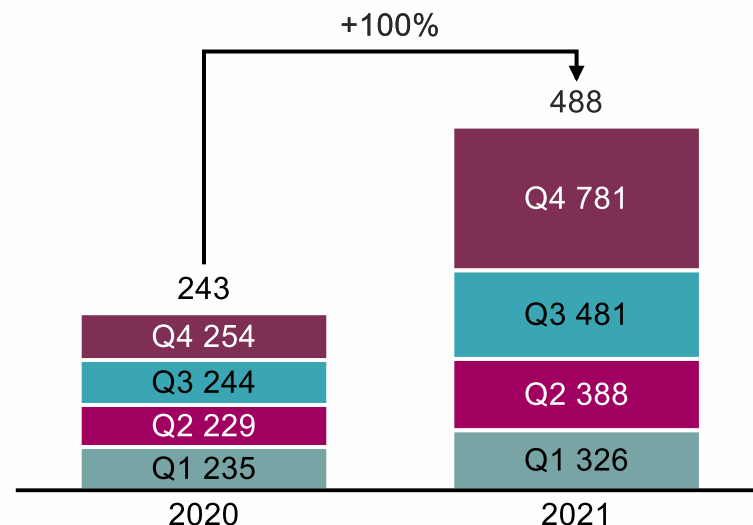
*Analysis of production & selling prices*

- **Production:** Production slightly declined by **1%** compared to 2020, as Qafco trains 1-4 underwent higher no. of days' maintenance shutdown during current year;
  - Q4-21 production improved by **2%** compared to Q3-21, due to higher no. of operating days during Q4-21 versus Q3-21.
- **Selling Prices:** Prices significantly up by **100%** compared to last year, as a result of strong product demand coupled with curtailed supply, and higher energy prices.
  - Prices increased by **62%** during Q4-21 compared to Q3-21, underpinned by strong demand, healthy agricultural economics, lower inventory levels and export restrictions imposed by key producing countries.

## Production (MT' 000)



## Selling prices (\$/MT)

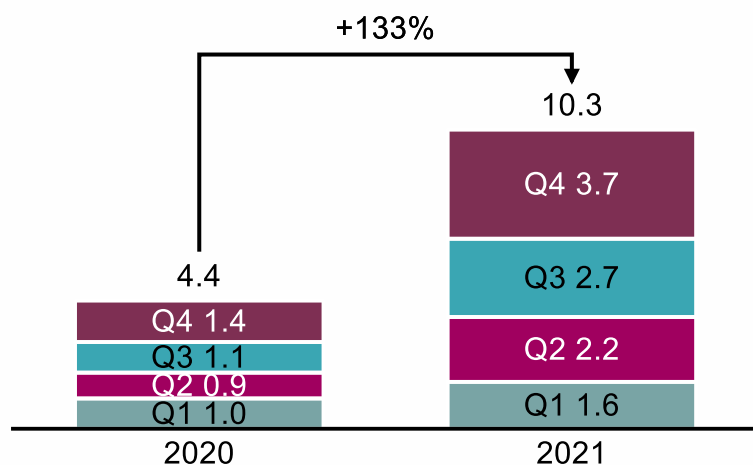


# 2021 results: Fertilizers

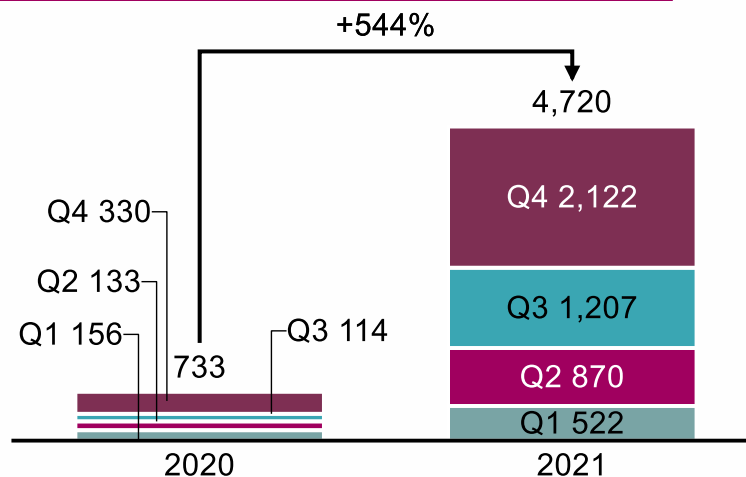
*Analysis of segment revenue & net profit*

- **Revenue:** QR 10.3 billion, up by 133% compared to 2020, mainly due to positive growth in product prices (+100%) and sales volumes (+38%). 2021 sales volumes increased versus last year, mainly due to recording of sales volumes for Qafco trains 1-4 for a full year during 2021, which was not the case during last year amid temporary gas processing arrangement applicable for the first seven months of 2020;
  - Revenue increased by 39% during Q4-21 compared to the Q3-21, mainly due to continued recoveries noted in selling prices (+62%), partially offset by decline in sales volumes (-14%).
- **Net profit:** QR 4.7 billion, up by 544% compared to 2020, due to overall increase in segmental revenues;
  - Net profit increased by 76% during Q4-21 compared to Q3-21, inline with an overall growth in revenues.

## Revenue (QR' billion)



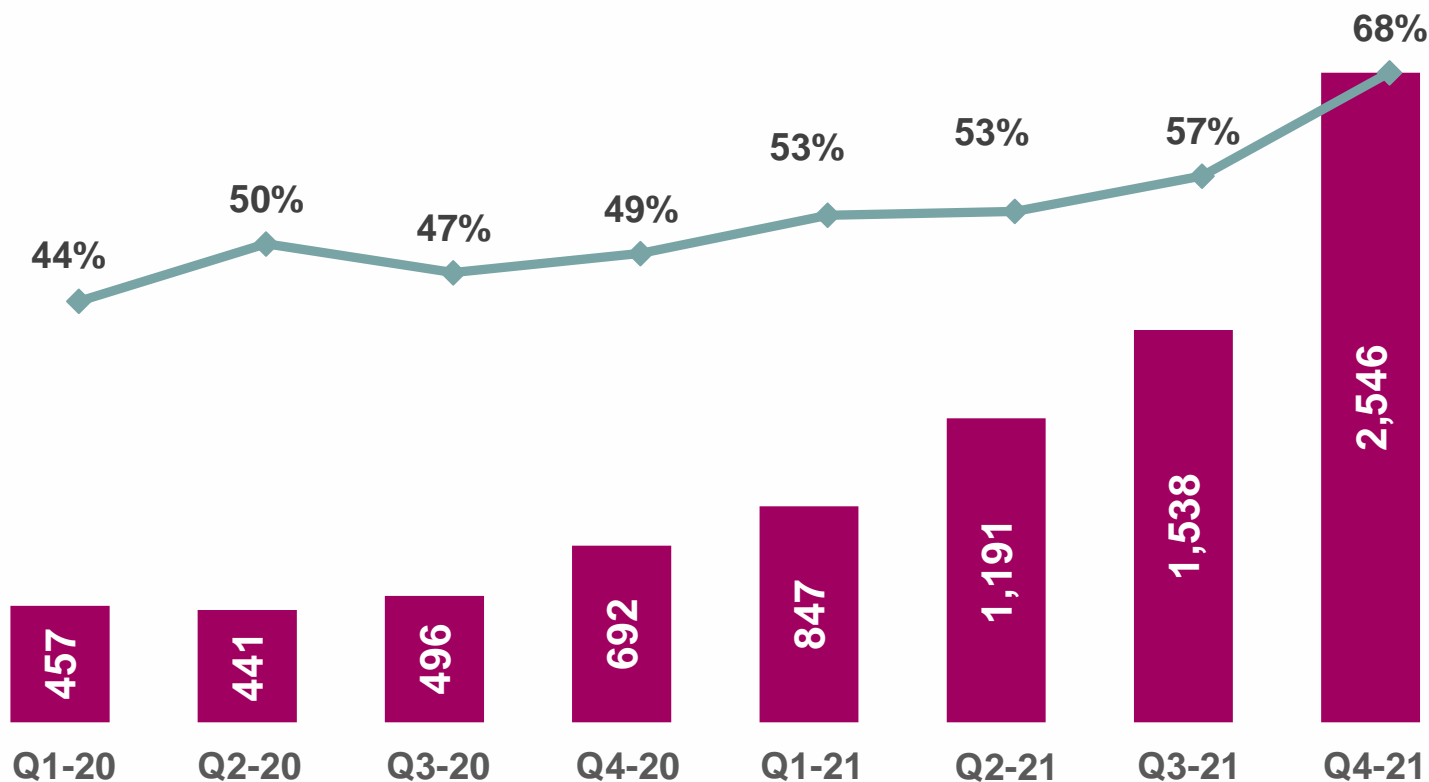
## Net profit (QR' million)



# 2021 results: Fertilizers

Analysis of segment  
EBITDA margins

**Segment's EBITDA margins continued to remain  
on a positive trajectory**



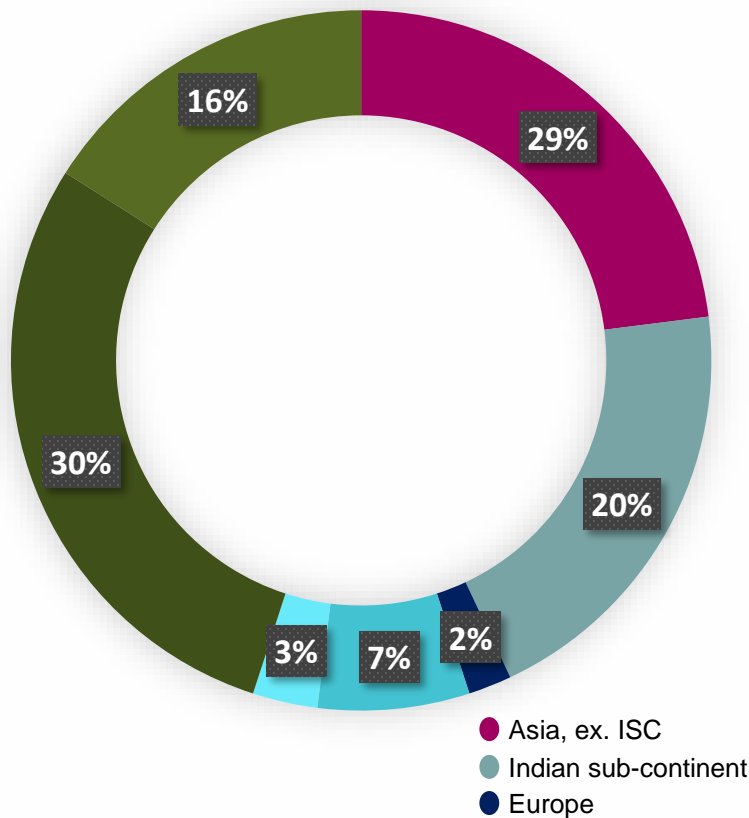


# 2021 results: Fertilizers

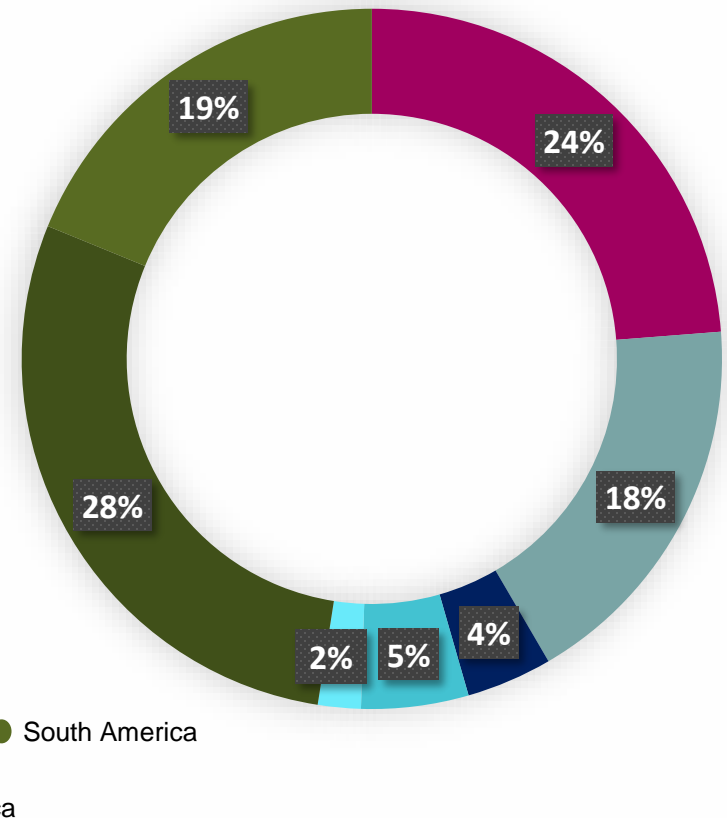
*Geographical analysis of  
segment revenue*

- Americas remains a main market for fertilizer segment
- Asia is another key market for fertilizers along with Indian sub-continent

**YE-21 Segment Revenue (%)**



**YE-20 Segment Revenue (%)**

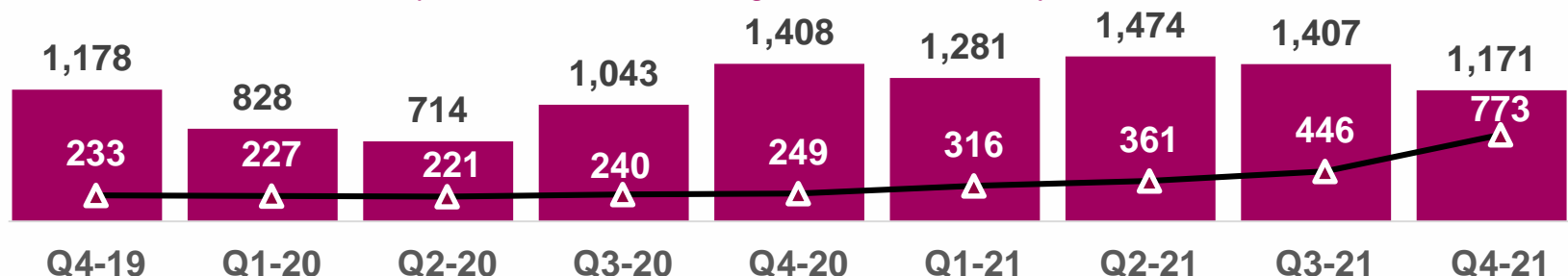


# 2021 results: Fertilizers

Key segment  
products analysis

## Urea

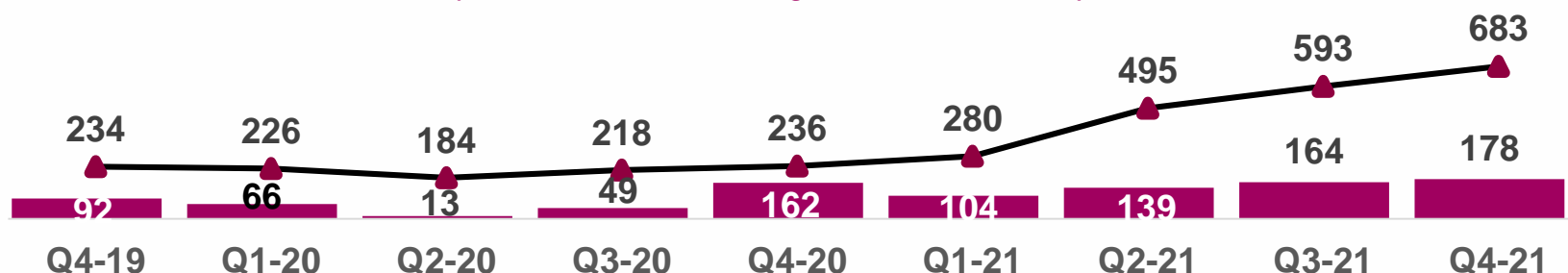
(contributed ~85% of the segment revenue in YE-21)



Sales volumes during 2020 were affected due to a temporary gas processing arrangement for Qafco trains 1-4 for the first seven months of 2020, since then volumes remained consistent. Selling prices continued to recover since later part of last year on the back of improved macroeconomic conditions and supply side shortages.

## Ammonia

(contributed ~11% of the segment revenue in YE-21)



Sales of ammonia 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)
	Capacity <sup>1</sup>
DRI / HBI	2,300*
Rebar	1,800*
Billets	2,520*
Coil	240
<b>Total</b>	<b>6,860</b>

<sup>1</sup> Production capacity reflect IQ's share in the respective entities

- 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 to; DRI/ HBI: 800k MT; Billets: 1,000k MT; Rebars: 1,100k MT per annum (incl. 300k MT Rebars from UAE ops).

# 2021 results: Steel

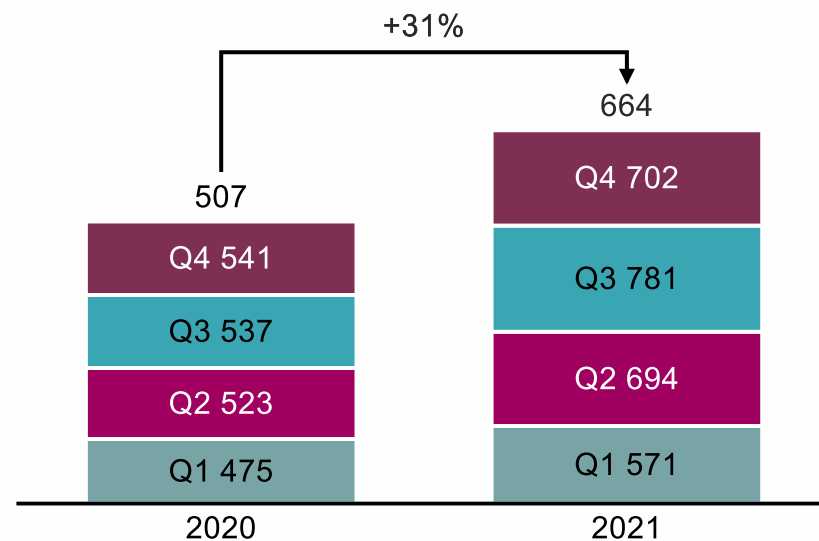
*Analysis of production & selling prices*

- Production:** Production down by **10%** compared to last year, due to management's decision to mothball certain facilities starting from April'20;
  - Production volumes declined by **10%** during Q4-21 in comparison to Q3-21, owing to lesser plant operating rates.
- Selling Prices:** improved by **31%** versus 2020, amid increase in demand underpinned by a rebound in construction activity;
  - Prices declined during Q4-21 by **10%** compared to the Q3-21, on the back on lower steel prices internationally.

## Production (MT' 000)



## Selling prices (\$/MT)

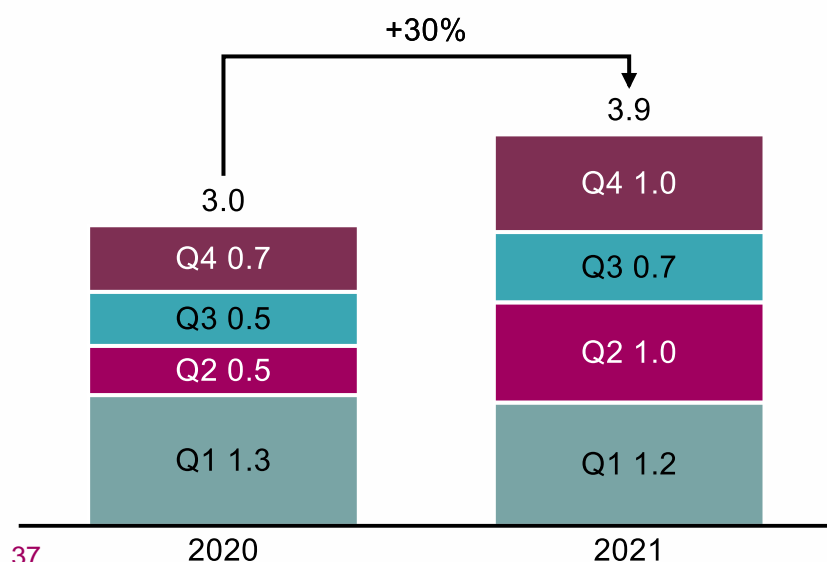


# 2021 results: Steel

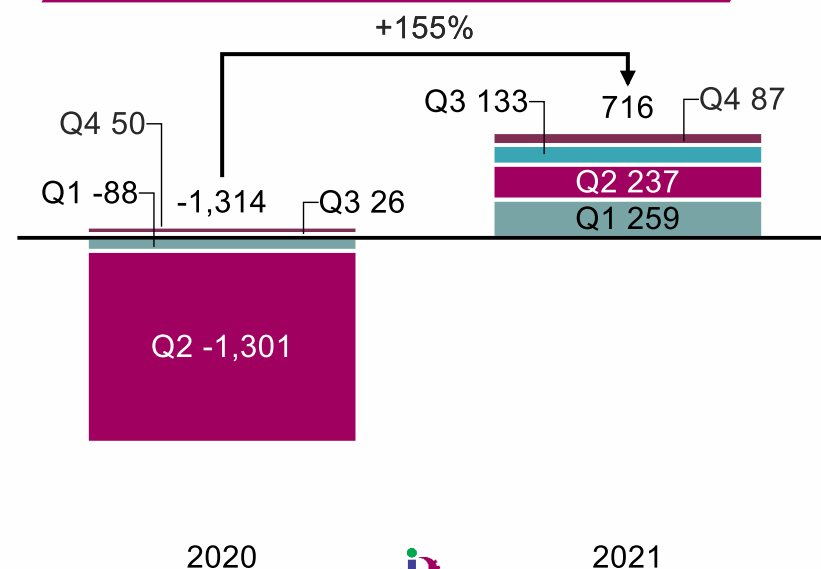
*Analysis of segment revenue & net profit*

- **Revenue:** QR 3.9 billion, up by 30% on 2020 amid increase in selling prices (+31%), offset by decline in sales volumes (-2%) owing to lower production volumes;
  - Revenue increased by 39% during Q3-21 compared to Q3-20 due to higher sales volumes (+55%), as the demand recovered from the seasonal effects prevailed during Q3-20. This was partially offset by lowered price levels (-10%).
- **Net Profit:** Net profit of QR 716 million for 2021 compared to a net loss of QR 1.3 billion for 2020, primarily due to better steel prices; absence of one-off impairment provisions booked in last year; and improved margins on account of mothballing decision that allowed the segment to primarily focus on profitable domestic market which led to adjust segment's cost base.
  - Profitability declined by 34% during Q4-21 compared to Q3-21, due to lower production volumes and higher operating cost.

## Revenue (QR' billion)



## Net profit (QR' million)

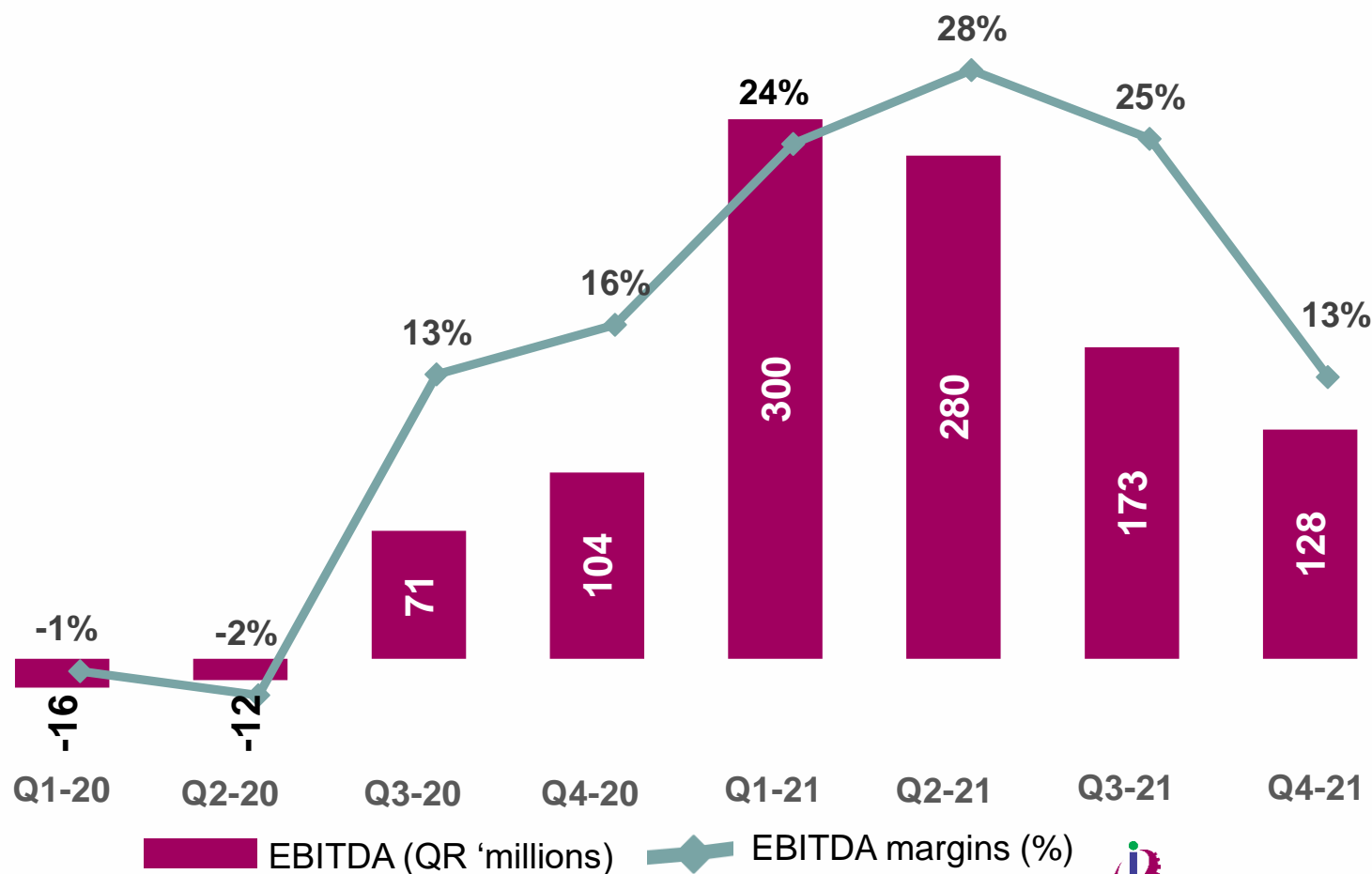


# 2021 results: Steel

Analysis of segment  
EBITDA margins

## Steel segment's EBITDA margins recovered following mothballing decision

*Recent decline in QoQ EBITDA margins was mainly linked to high priced feedstock being consumed during the recent quarters*

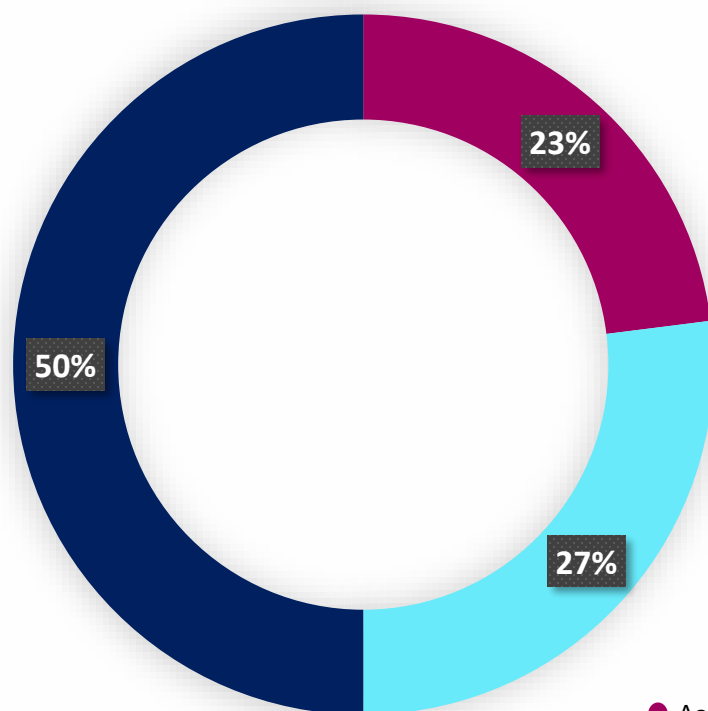


# 2021 results: Steel

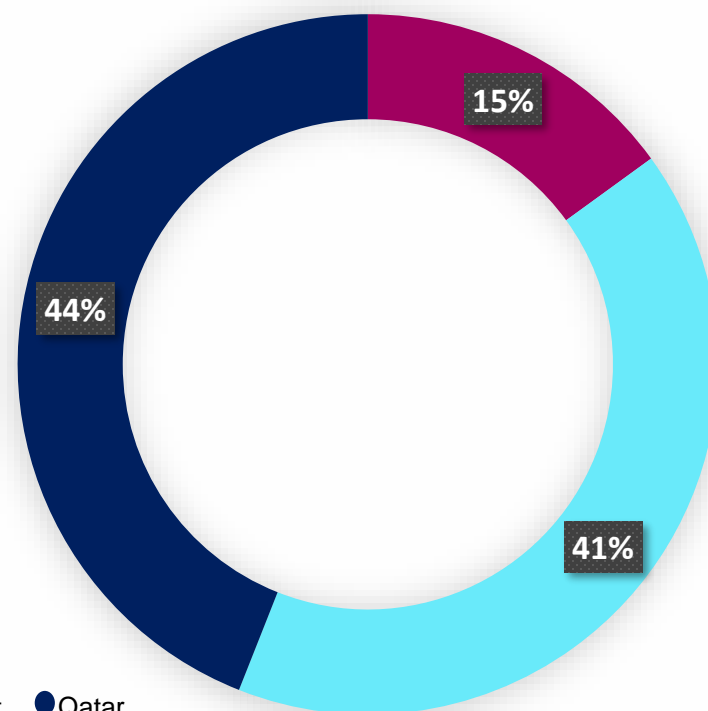
*Geographical analysis of segment revenue*

- Starting from the second quarter of 2020, the Group decided to temporarily resize 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 outside the domestic market during 2021.

**YE-21 Segment Revenue (%)**



**YE-20 Segment Revenue (%)**



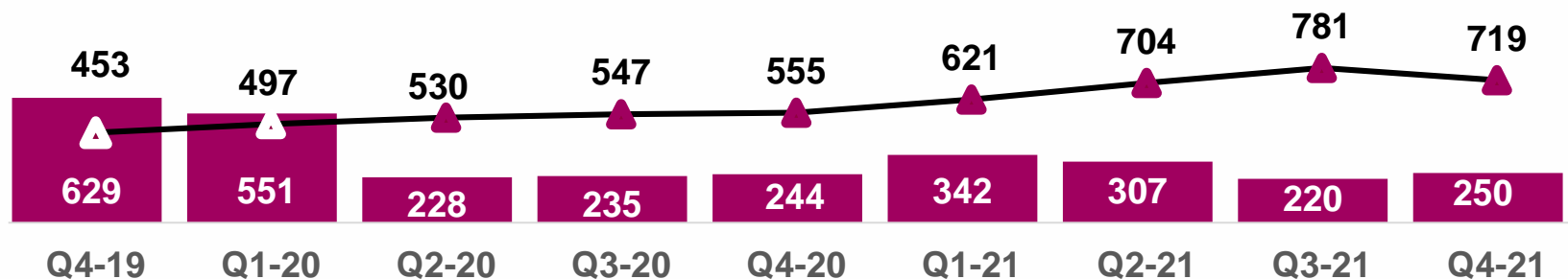
● Asia    ● Middle East    ● Qatar

# 2021 results: Steel

Key segment  
products analysis

## Rebars

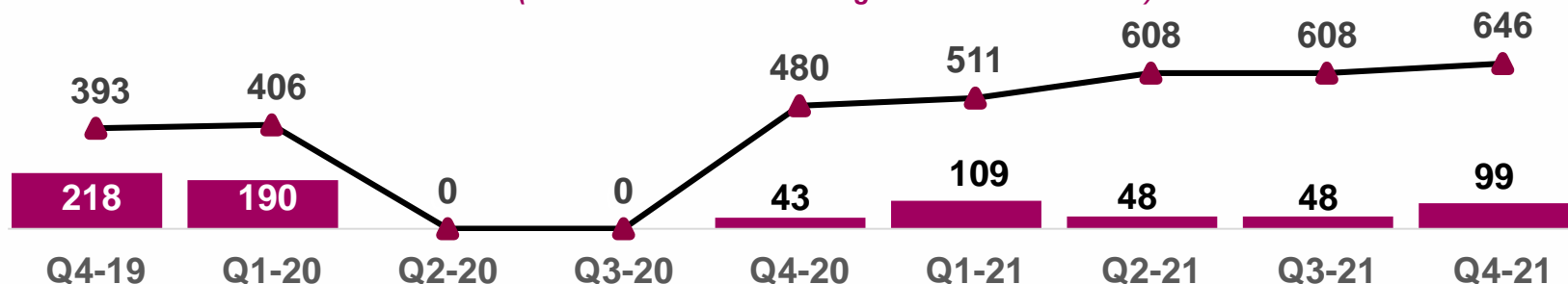
(contributed ~73% of the segment revenue in YE-21)



Selling prices recovered significantly in recent quarters, mainly due to improved macroeconomic dynamics, as the demand for steel mainly on the back of ramp-up in ongoing infrastructure and construction projects, supported by reopening of economies.

## Billets

(contributed ~14% of the segment revenue in YE-21)



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.



---

## CAPEX & Cash flows (2022F – 2026F)

---

# CAPEX and Cash Flows (2022F – 2026F)

- **Group CAPEX spend of QR 11.1 billion includes:**
  - Capacity addition in fertilizer segment (QR 4.1 bn in Qafco 7);
  - Other CAPEX include turnaround (QR 1.6 bn);
  - Investment projects (QR 3.3 bn).
- **Qapco (Capex of QR 1.6 billion)**
  - Operational projects - QR 0.9 billion (Refrigerator machine replacement, flare improvement etc.);
  - Turnaround / reliability - QR 0.4 billion;
  - No CAPEX related to PUD / Investments.
- **Qafac (Capex of QR 0.3 billion)**
  - Turnaround & annual maintenance - QR 0.1 billion;
  - Other routine CAPEX - QR 0.2 billion;
  - No capacity related CAPEX.
- **Qafco (Capex of QR 8.8 billion)**
  - Qafco 7 - QR 4.1 billion including capitalized finance costs (QR 2.6 billion of borrowings to finance Qafco 7; 70% of project costs);
  - Investment Projects - QR 3.3 billion (NZLD - QR 0.5 bn; SAP Hana project - QR 0.2 bn; Sulphur Recovery Unit - QR 0.2 bn; Repair and replace bulk hall - QR 0.2 bn);
  - Turnaround related CAPEX - QR 1.0 billion.
- **Qatar Steel (Capex of QR 0.5 billion)**
  - Turnaround related CAPEX - 0.2 billion;
  - IT related investments - QR 0.1 billion.

CAPITAL EXPENDITURE (in QR Billion)					
	2022	2023	2024	2025	2026
Capital Spares	0.1	0.0	0.0	0.0	0.0
Catalysts	0.0	0.0	0.0	0.0	0.1
Turnaround CAPEX	0.3	0.7	0.2	0.3	0.2
Investments / PUD	0.9	1.3	0.8	0.7	0.5
Qafco-7	0.8	2.0	0.6	0.5	0.3
IT / Technical	0.1	0.0	0.0	0.0	0.0
Other Routine CAPEX	0.1	0.1	0.1	0.1	0.1
<b>Total CAPEX</b>	<b>2.2</b>	<b>4.1</b>	<b>1.9</b>	<b>1.6</b>	<b>1.2</b>

CASH FLOWS (in QR Billion)					
	2022	2023	2024	2025	2026
<b>Cash Flows:</b>					
- Operating	4.5	+3.1	+3.9	+4.1	+3.4
- Investing	-1.9	-3.8	-1.5	-1.2	-0.8
- Financing	0.4	+1.2	+0.3	+0.1	-0.0
<b>FCFF</b>	<b>2.3</b>	<b>-1.0</b>	<b>+2.1</b>	<b>+2.6</b>	<b>+2.3</b>
<b>FCFE</b>	<b>3.6</b>	<b>+2.2</b>	<b>+3.1</b>	<b>+3.2</b>	<b>+2.6</b>

*FCFE = FCFF +/- Net Debt – Finance Charges*

**Note:** The cash flow & CAPEX figures for the years 2021-25 are based on the 2021 approved budget and business plan, based on the expectations of the market conditions and commodity prices forecasted at the time of finalizing the 2021 budget & business plan.

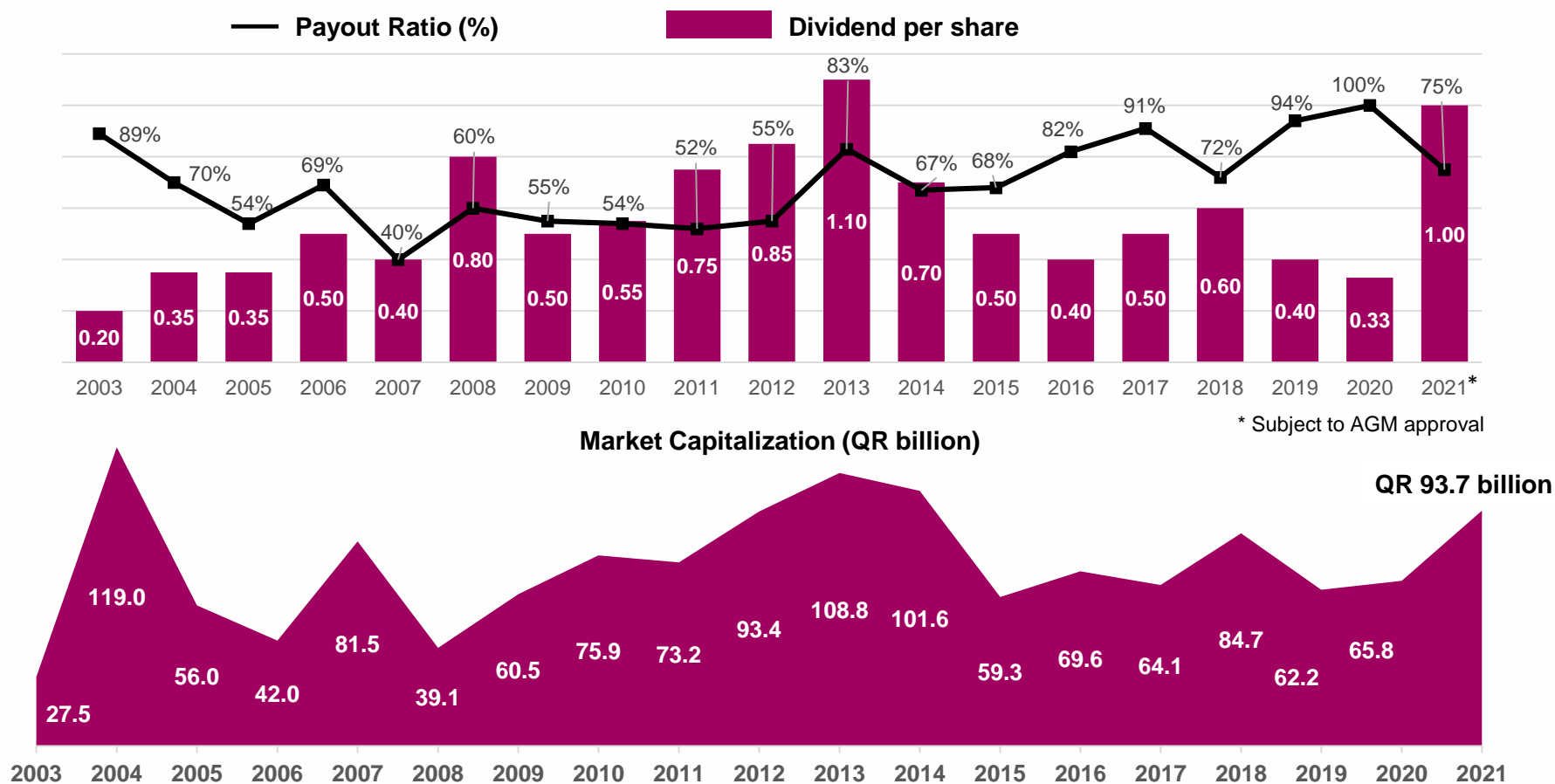
With current market conditions and commodity price trends, the forecasts as disclosed in the above table cannot be relied on with absolute certainty, where, the actual realization of these figures might significantly differ as compared to these projections, subject to the macroeconomic conditions, including, 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.

---

# Dividends and market capitalization

---

# Dividends & Market Capitalization



- To date, cash dividends totaling QR 55.4 billion have been distributed, equivalent to QR 9.8 per share;
- The Company was included on the MSCI Qatar Index in May 2014.

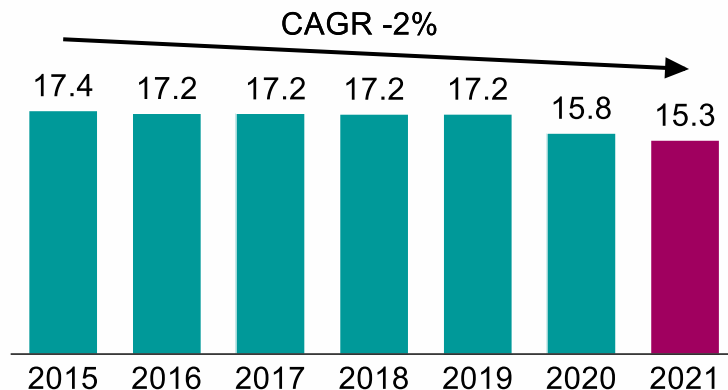
---

## Historical performance (2015 - 2021)

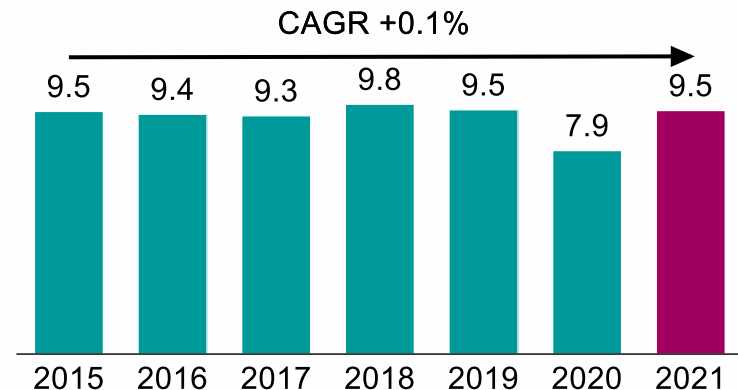
---

# Historical performance (2015 - 2021)

## Production (M MT's)

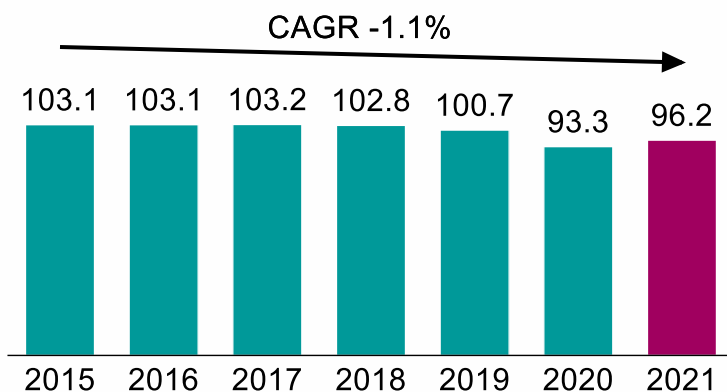


## Sales Volumes (M MT's)

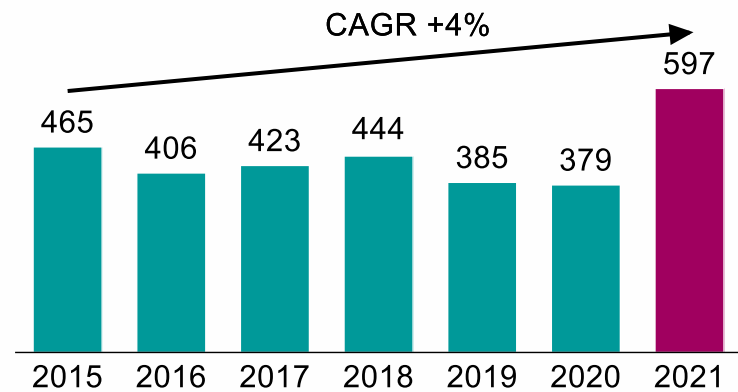


Volumes remained steady since 2015 till 2019 and declined in 2020. The decline in production in 2020 was mainly owed to mothballing decision of certain steel facilities, while sales volumes were also affected due to Qafco's temporary gas processing arrangement ▪ Selling prices were influenced by macroeconomic cycles

## Utilization (%)

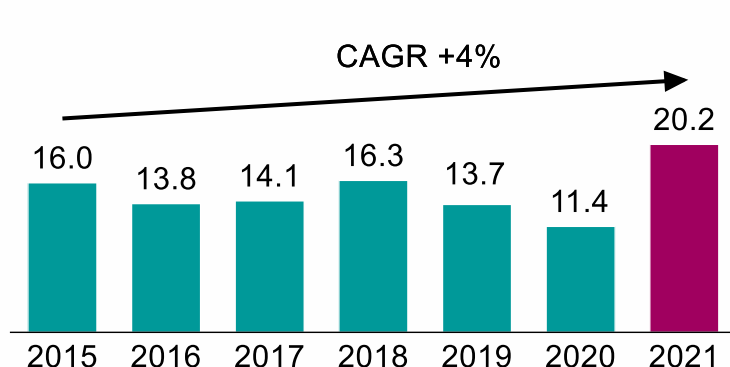


## Selling Prices (USD / MT)

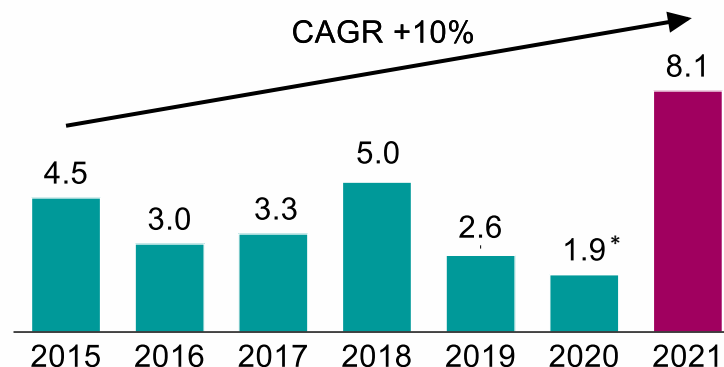


# Historical performance (2015 - 2021)

## Revenue (QR Bn)

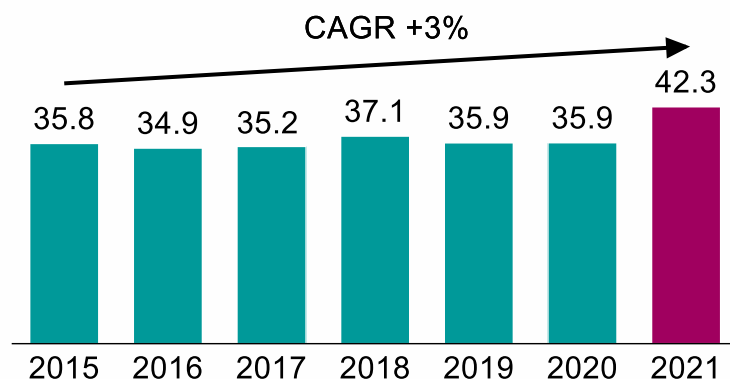


## Net income (QR Bn)

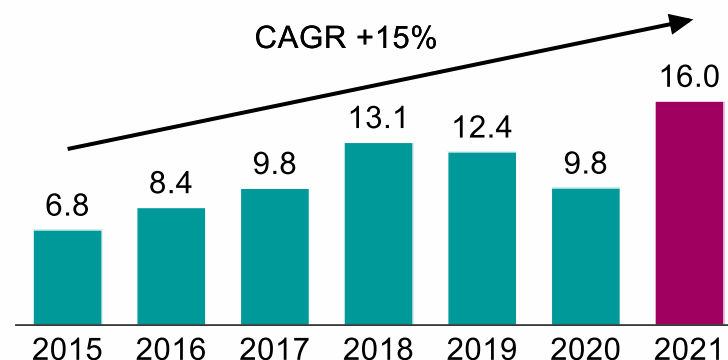


Revenue trends moved in line with the selling prices ▪ Movements in revenue together with operating costs affected the net income growth ▪ Cash flow generation for the Group remained robust, despite cyclical profitability.

## Total Assets (QR Bn)



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



---

# Governance Structure

---



# 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.

---

# Sales and Marketing

---

# 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 very limited international component.





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

Telephone: (974) 4013 2080

Fax: (974) 4013 9750

Email: [iq.investorrelations@qp.com.qa](mailto:iq.investorrelations@qp.com.qa) or [iq@qp.com.qa](mailto:iq@qp.com.qa)

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.