



# Industries Qatar

## Investor Relations Presentation

30 September 2023

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

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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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# About IQ

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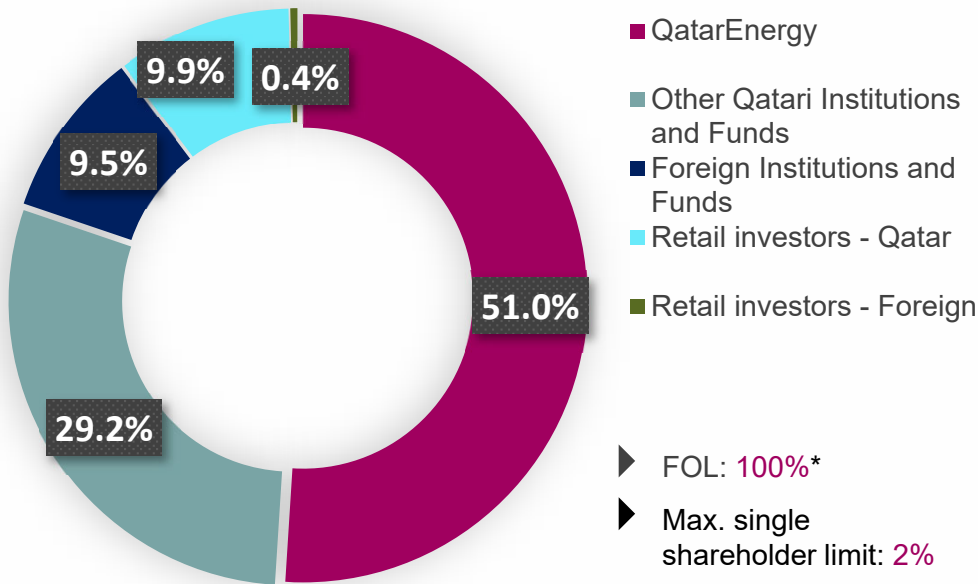
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# IQ at a Glance

## 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 (**A1**; positive).
- 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.

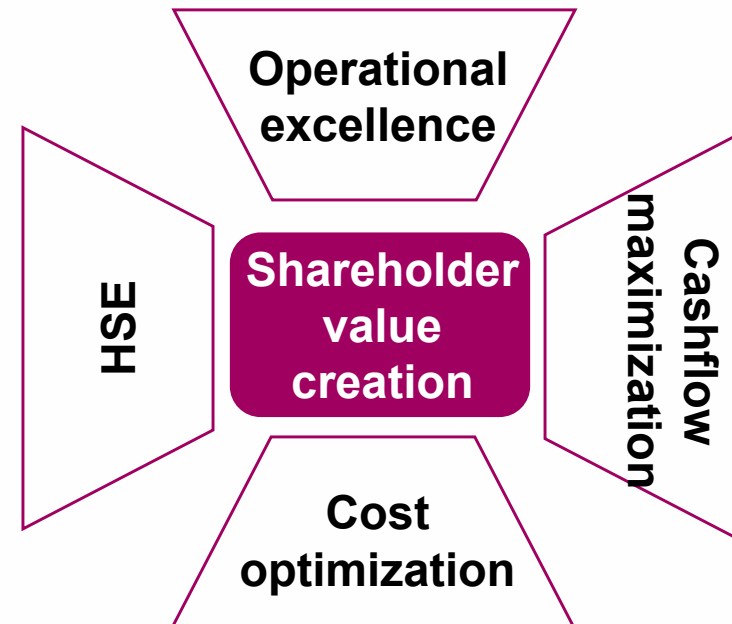
## IQ's shareholding structure



Note: Shareholder data as of 30-Sept-23

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

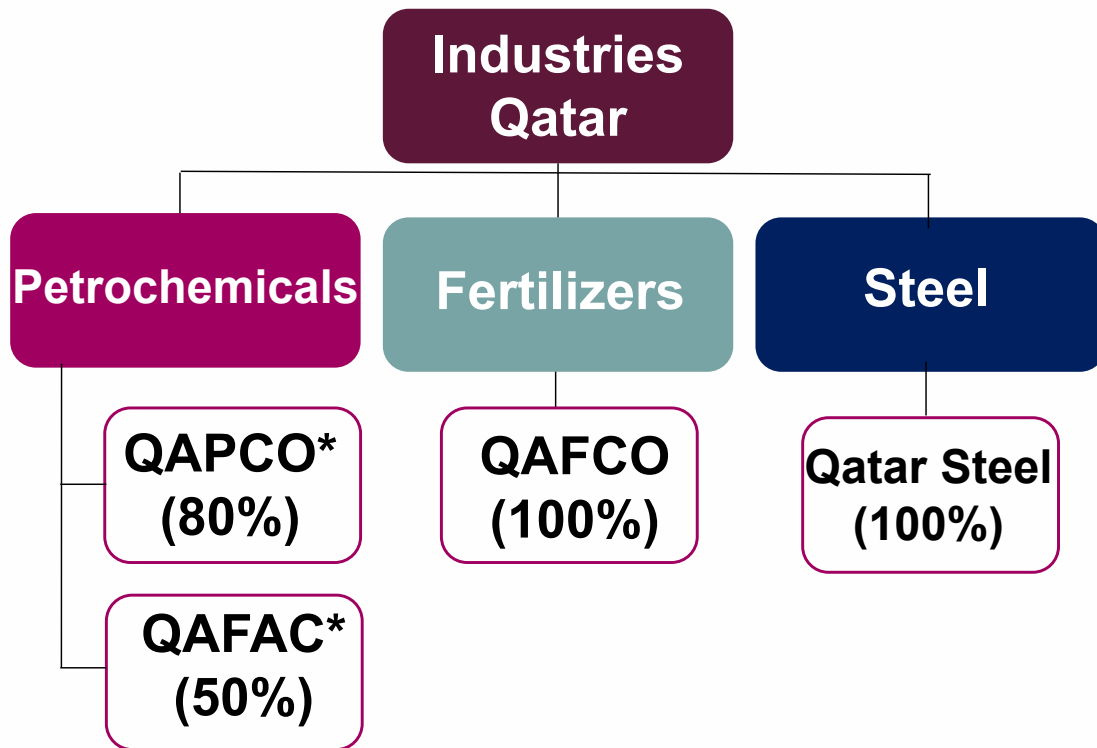
## Core values



# IQ business segments at a glance

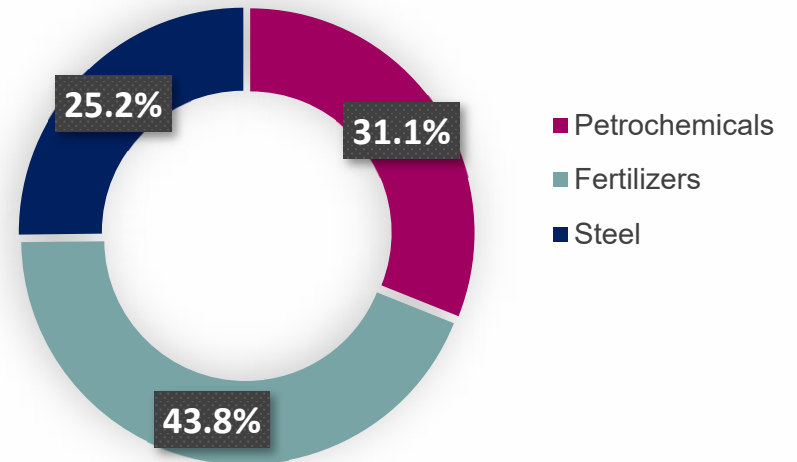
## Business segments overview

- 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.

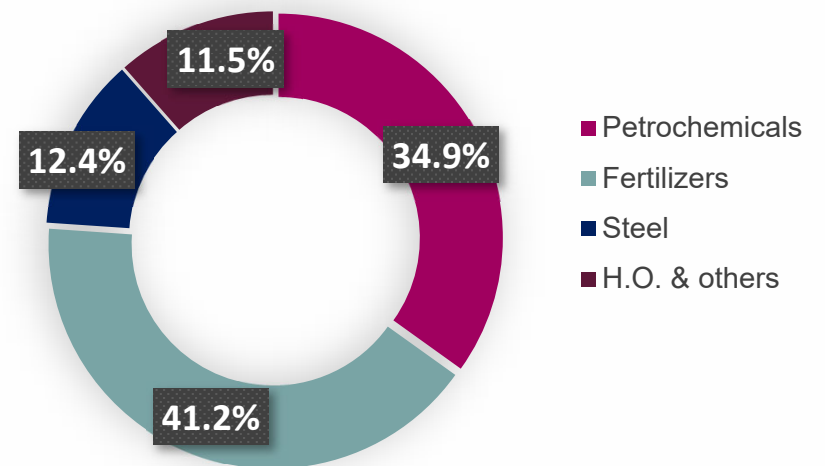


\*Joint venture stake

## Segment size by Revenue



## Segment size by Net Profits



Note: Revenue and net profit data as of 30-Sept-23



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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

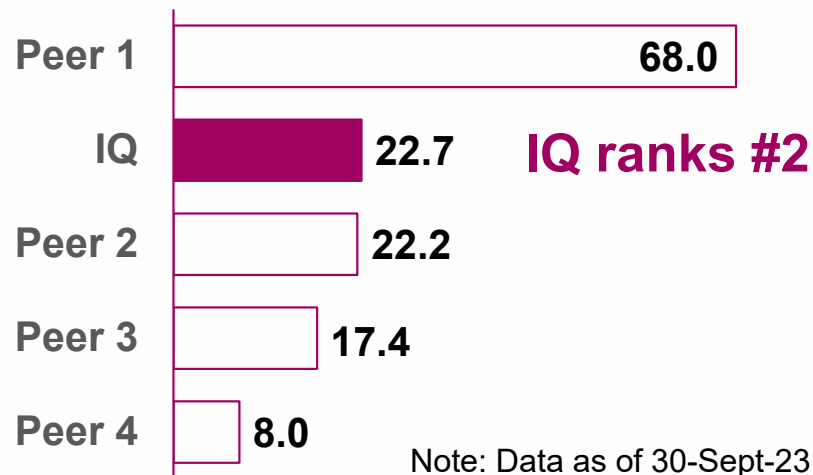
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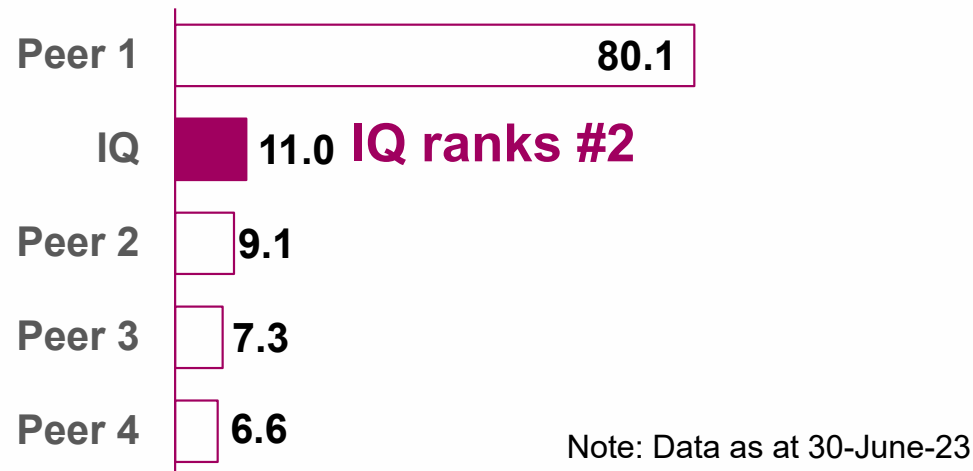
IQ ranked **#24** among  
***“2022 Forbes List of Top 100 Listed Companies in the Middle East”***

# Competitive positioning versus regional peers

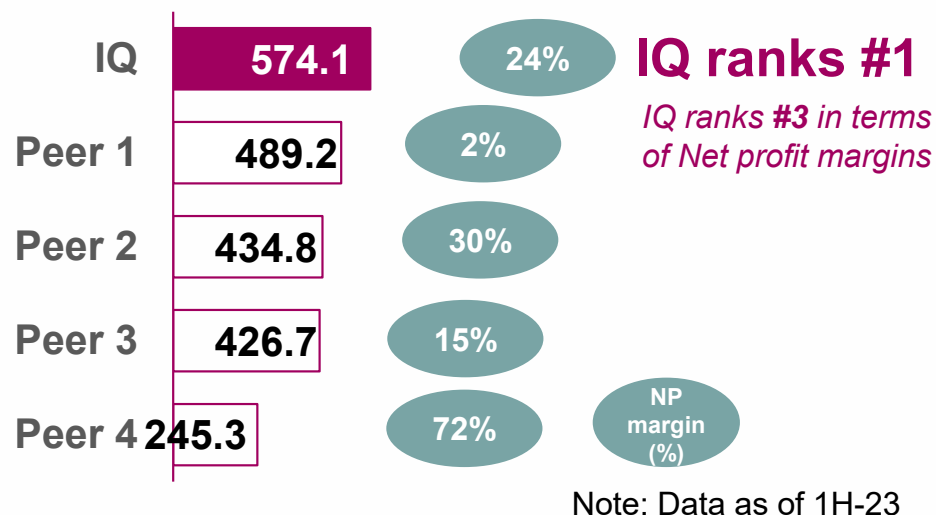
## Market Cap. (USD' billion)



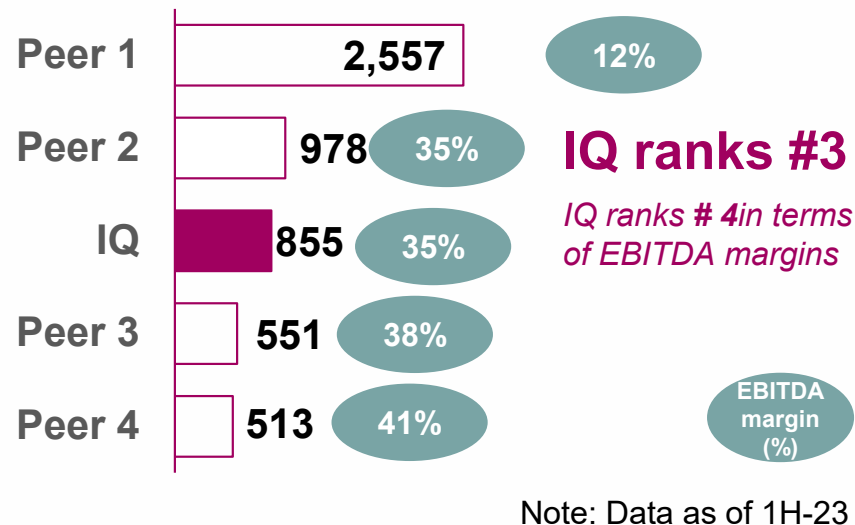
## Total Assets (USD' billion)



## Net profit (USD' million)



## EBITDA (USD' million)



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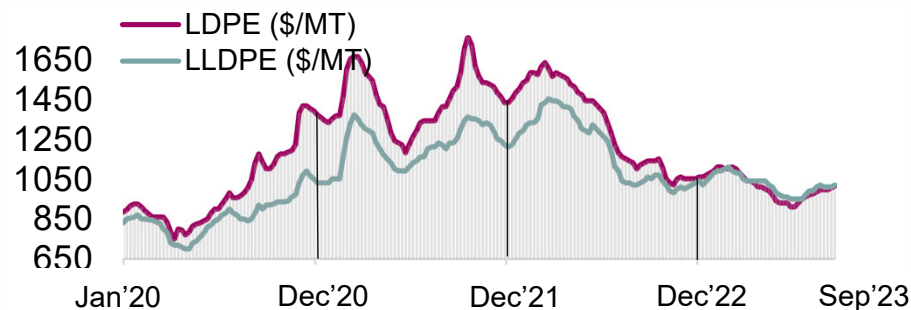
# Macroeconomic updates

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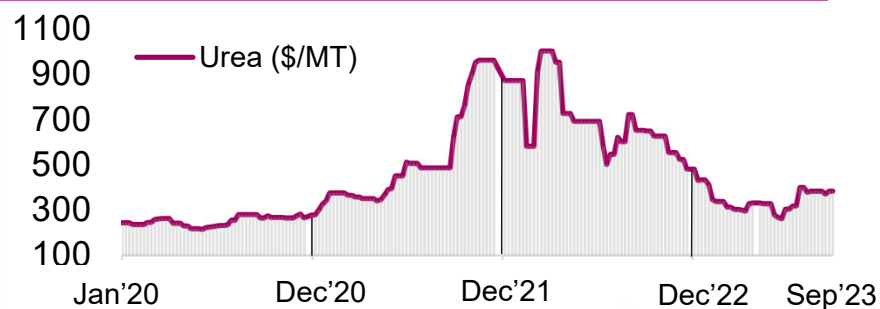
# Macroeconomic updates

## Petrochemicals



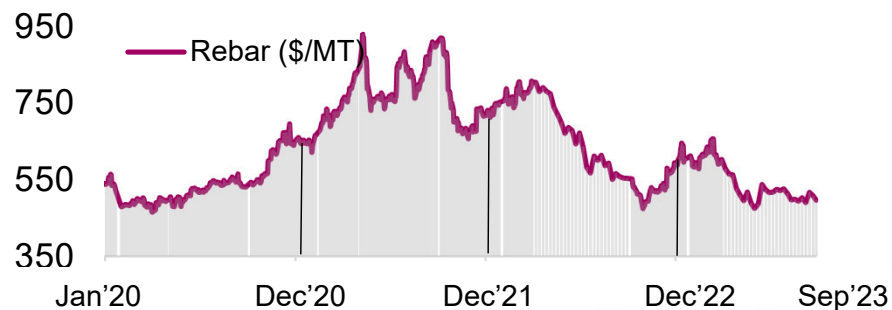
- The petrochemical sector's performance was negatively impacted throughout the year due to the slower global economic recovery, oil price volatility, and uncertainty in the global macro-outlook. Additionally, buyers' cautious approach was primarily linked to recessionary fears. The supply also gradually returning to its pre-2022 level with most manufacturers have commended operations after supply-chain and logistics bottlenecks have relatively eased.

## Fertilizers



- YTD prices continued their downward trajectory, on the other hand, showing sequential improvement compared to the previous quarter. This trend was primarily influenced by a cautious approach from buyers amid persistent uncertainty surrounding supply and demand forces. The decline in prices persisted amidst continued downward pressure on grain, energy, and other commodity prices, as well as general inflation.

## Steel



- The uncertainty in global steel demand persists as the anticipated global economic recovery unfolds slower than expected. Simultaneously, the construction sector grapples with sluggish activities, primarily due to the impact of a high-interest-rate environment amid growing recessionary fears.

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# Group results (For the nine-month period ended 30 September 2023)

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# 9M-23 results at a Glance

vs. 9M-22

**Revenue** ↓ -36%  
QR 13 billion

**EBITDA** ↓ -45%  
QR 4.8 billion

**Net profit** ↓ -53%  
QR 3.3 billion

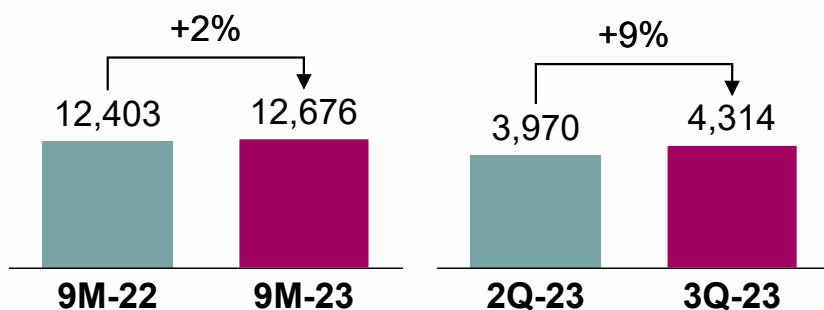
*EBITDA Margin: 37%*

*EPS: QR 0.54*

- Year-on-year negative average realized price trajectories continued to weight on the results, amid challenging macroeconomic context
- Group operations continued to remain robust as all the operational performance indicators improved versus last year
- Liquidity continues remain robust with a total cash and bank balance of QR 15.8 billion, with a free cash flow generation of QR 2.3 billion during 9M-23

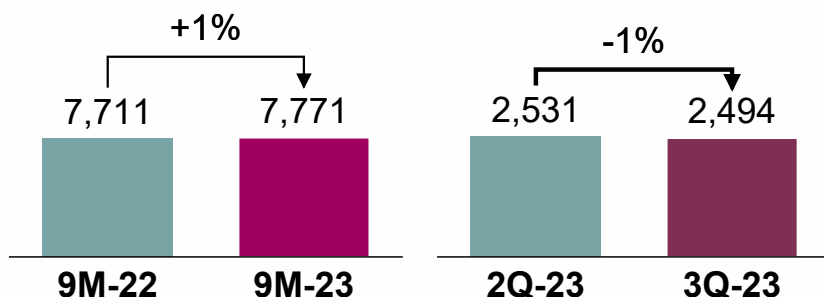
# Operational performance review

## Production (MT' 000)



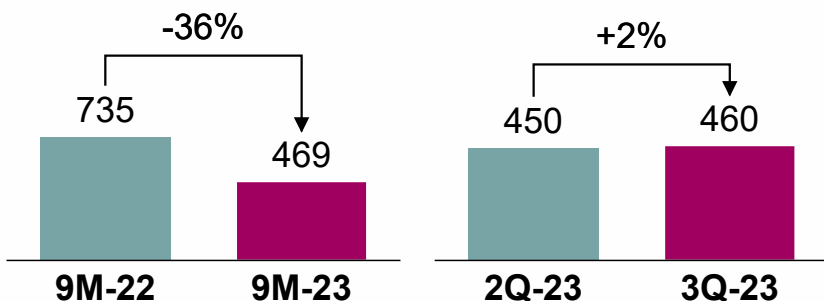
- 9M-23 vs 9M-22: Production volumes increased, mainly driven by higher operating rates and better plant availability across all the segments.
- 3Q-23 vs 2Q-23: Production levels increased versus previous quarter primarily due to lower production reported during Q2-23, as result of facility maintenance shutdowns within the fertilizer segment.

## Sales volume (MT' 000)



- 9M-23 vs 9M-22: Sales volumes slightly increased primarily driven by higher plant operating rates resulting in higher production volumes.
- 3Q-23 vs 2Q-23: Sales volumes decreased mainly links to lower sales volumes on a sequential basis for petrochemicals and steel segments, being partially offset by higher volumes reported for fertilizers segment.

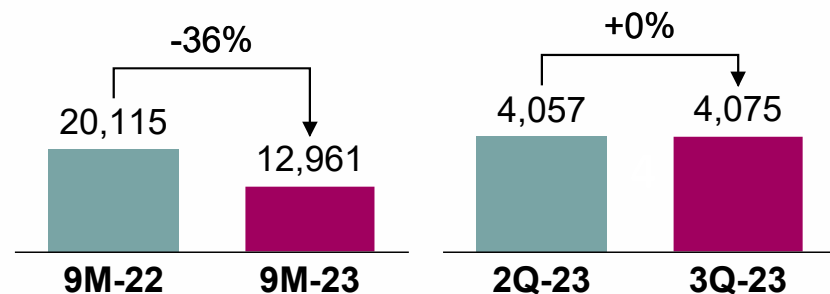
## Selling prices (\$/MT)



- 9M-23 vs 9M-22: The decline in product prices was mainly linked to downward trajectories noted across the Group's basket of product amid macroeconomic headwinds.
- 3Q-23 vs 2Q-23: Avg. selling prices slightly recovers due to improvements in fertilizer markets, driven by relatively better supply-demand dynamics. However, this uptick was partially offset by lower realized prices in the steel and petrochemicals segments, reflecting the challenges posed by the persistent and challenging macroeconomic environment.

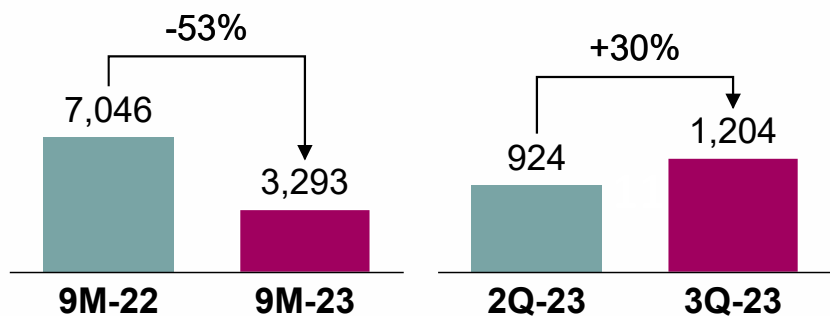
# Financial performance review

## Revenue (QR' million)



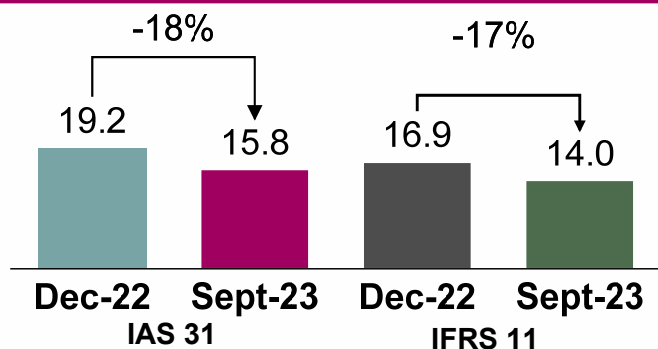
- 9M-23 vs 9M-22: Group revenue decreased significantly, mainly on account of overall decline in blended selling prices.
- 3Q-23 vs 2Q-23: Group revenue remained flat, with a decrease in sales volume being completely offset by an increase in selling prices.

## Net profit (QR' million)



- 9M-23 vs 9M-22: results significantly declined due to lowered price trajectory across the product range. This was partially offset by lower OPEX primarily linked to lower variable cost driven by end-product price indexed raw material cost, slightly offset by increased volumes and general inflation to an extent.
- 3Q-23 vs 2Q-23: Profitability has improved due to increased EBITDA, enhancing profit generation on a sequential basis.

## Net cash (QR' billion)



- Total cash across the Group stood at QR 15.8 billion (under IAS 31). Cash declined from last year mainly due to payment of 2022 dividends (QR 6.7 billion), being partially offset by positive free cash flow generation (QR 2.3 billion).
- There is no long-term debt across the Group.



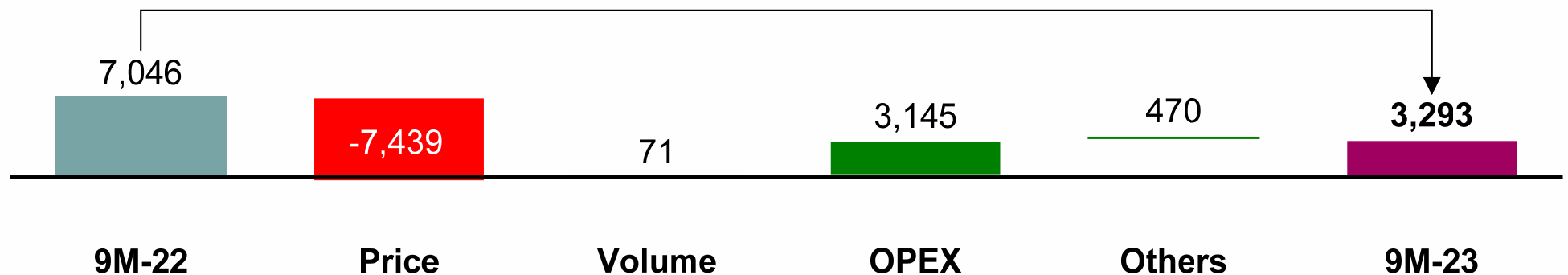
# Net profit variance analysis

## 9M-23 vs 9M-22

*Lower product prices weighed on Group's bottom-line profitability being partially offset by higher volumes and lower OPEX*

-53%

Amounts in QR 'millions

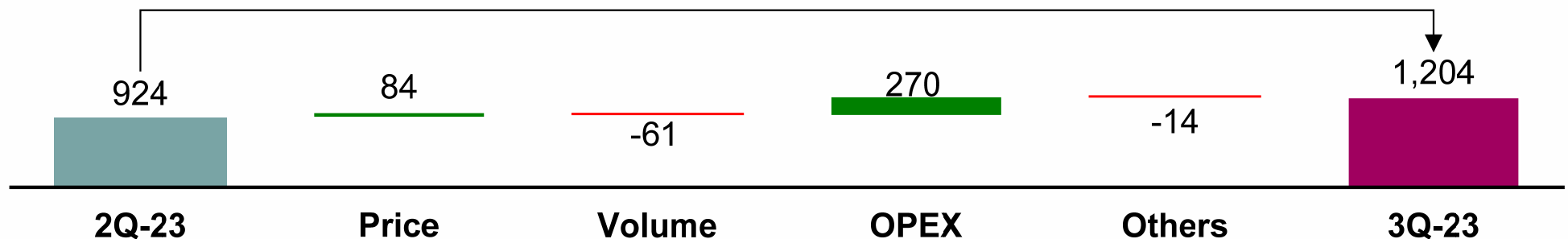


## 3Q-23 vs 2Q-23

*Profitability inclined on higher selling prices and saving on OPEX being partially offset by lower sales volumes*

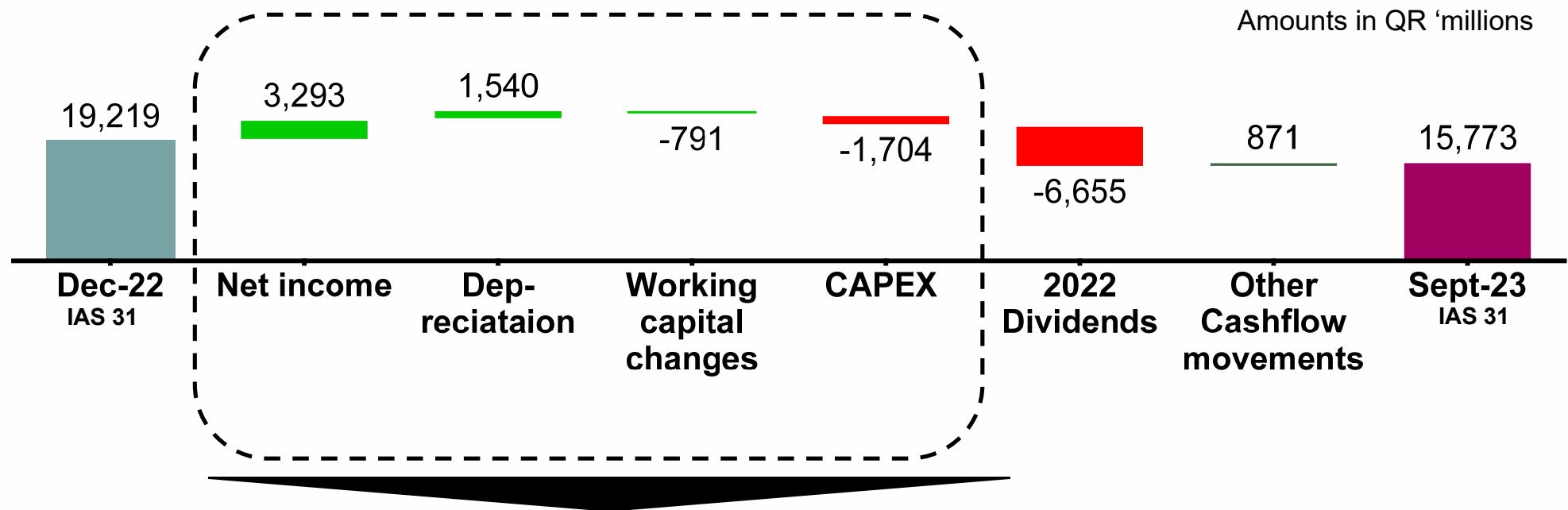
+30%

Amounts in QR 'millions



# IQ cash flow generation

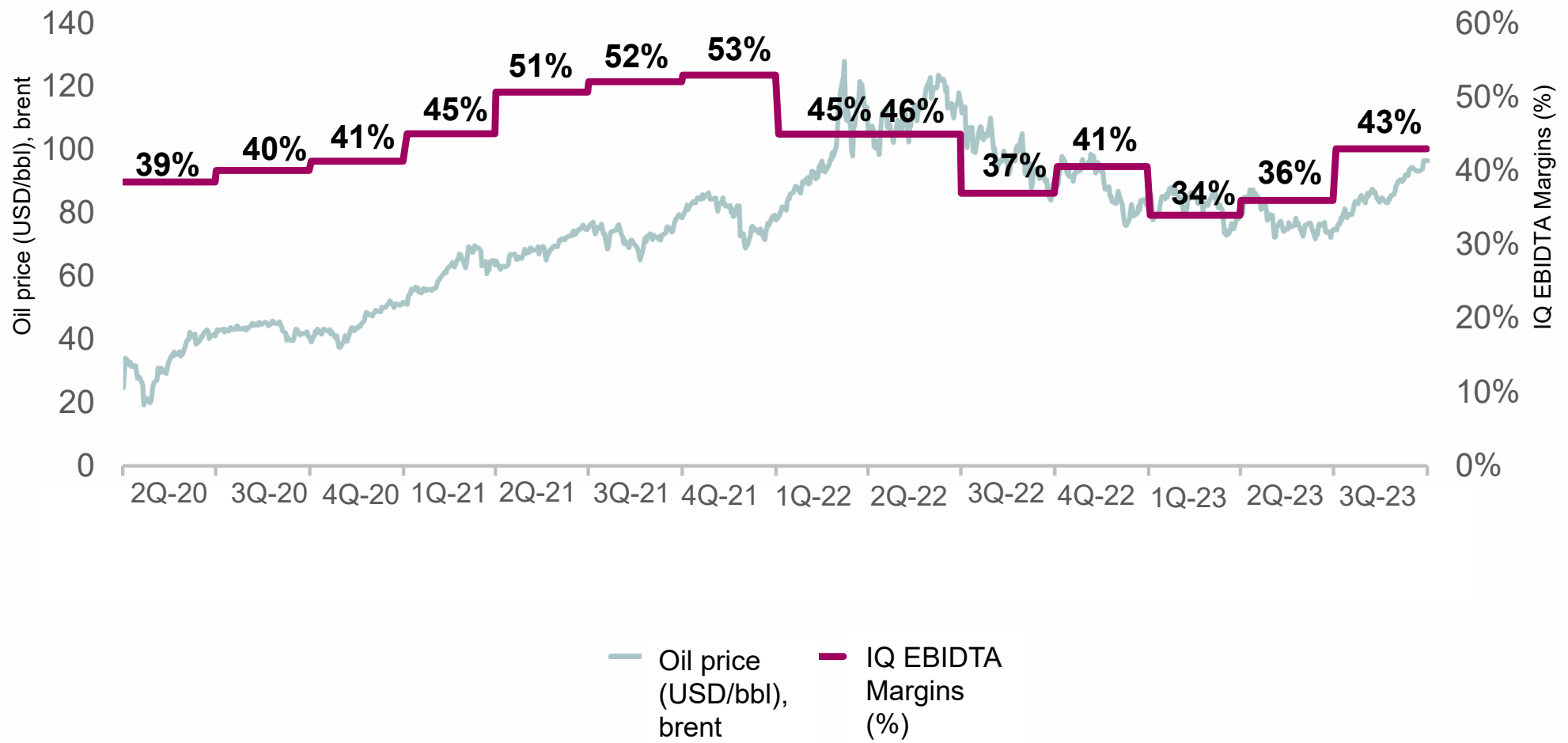
**IQ's free cash flow generation capability continue to remain robust**



**Free cash flows generated during the nine-month period ended 30 September 2023: QR 2.3 billion**

# Robust EBITDA margins

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

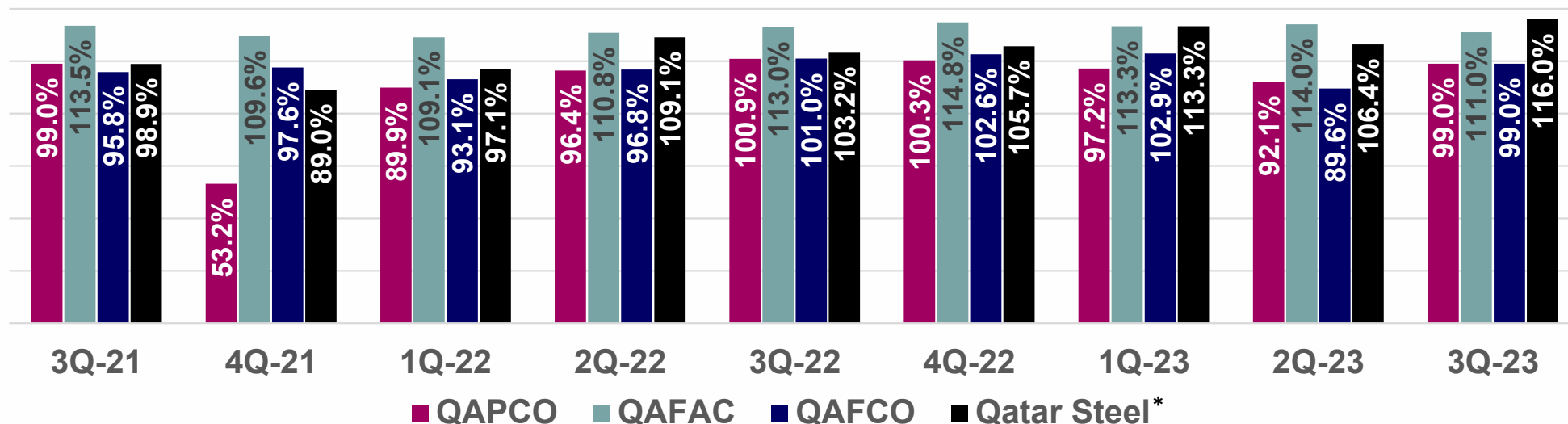


Source: Oil price (USD/bbl), brent;  
EBIDTA margins – Company data



# IQ's plant operating rates

## IQ's plant operating rates remained stable

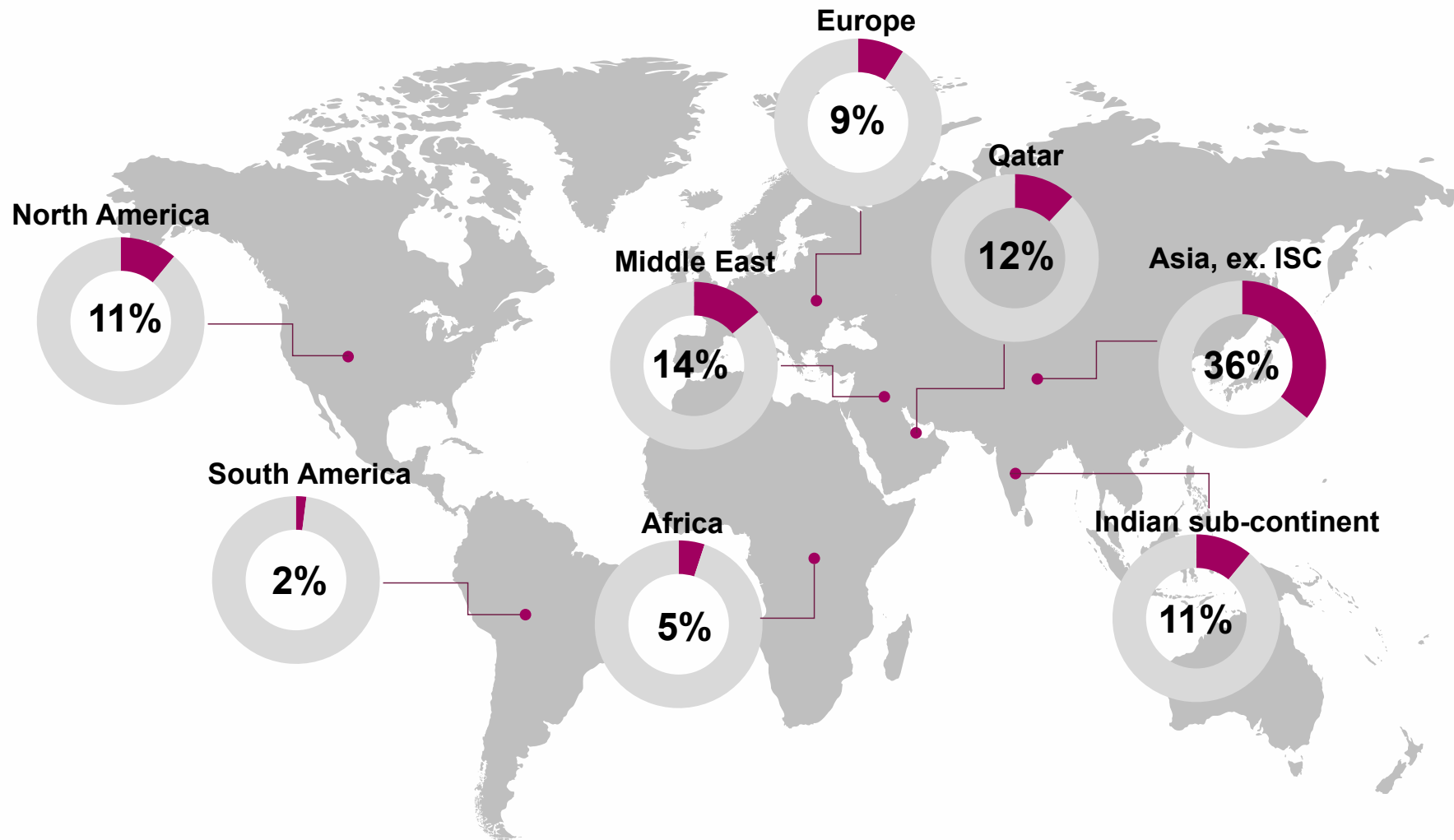


**\*Note:** With effect from 01 April 2020, management decided to mothball certain facilities of Qatar Steel, hence, the nameplate capacity was accordingly adjusted to reflect the new capacity levels post mothballing.

Also, from 1Q-22, Qatar Steel decided to switch mothballing of DR facilities by restarting a DR facility with larger capacity, as the segment restarted DR-2 facility during 1Q-22, as against DR-1 which was operational until the end of 2021. DR-2 has a production capacity of 1,500k MT's per annum compared to DR-1 that has an annual capacity of 800k MT's per annum.

# Geographic analysis – IQ Group revenue

Asia remained Group's largest market



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# Segment results (For the nine-month period ended 30 Sept. 2023)

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

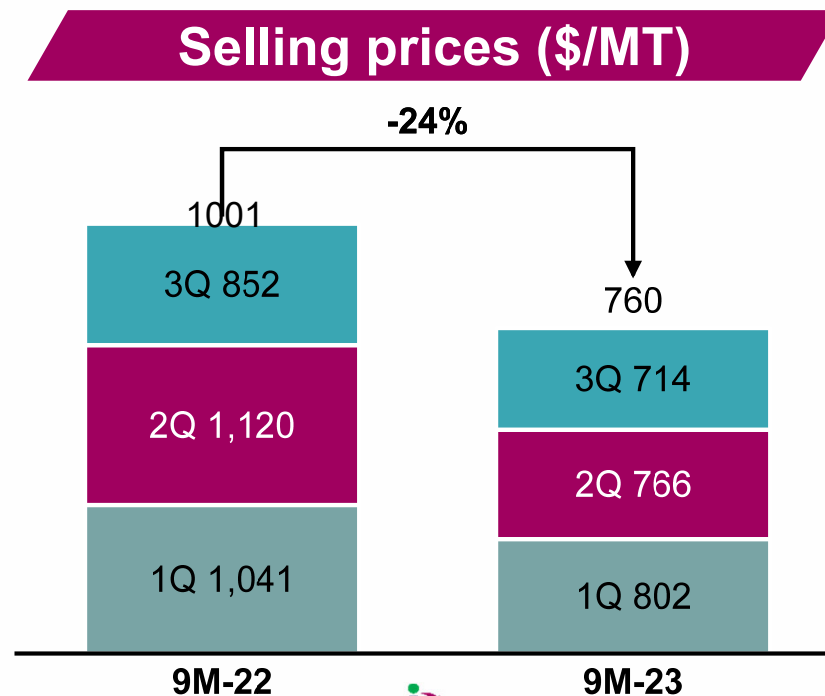
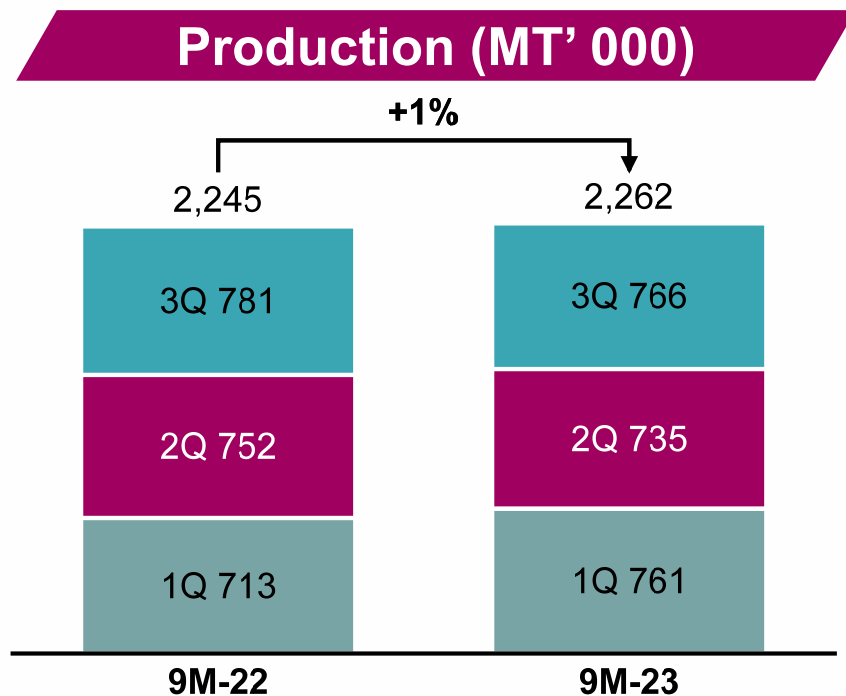
- The segment's primary feedstocks are methane gas (which is used for the production of methanol), ethane gas (ethylene) and butane gas (MTBE);



# Results: Petrochemicals

*Analysis of production & selling prices*

- Production:** Production volumes up by **1%** compared to 9M-22, against the backdrop of higher facility availability;
  - 3Q-23 production volumes inclined by **4%** versus 2Q-23, mainly on account of higher operating rates.
- Selling Prices:** Down on 9M-22 by **24%**, as result of overall decline in the global petrochemical prices due to combined effect of declining crude prices and weakened consumer demand against a backdrop of deteriorating macroeconomic fundamentals.
  - 3Q-23 selling prices decreased by **7%** compared to 2Q-23, mainly due to overall demand decline in polyethylene segment on the backdrop of weaker global demand.



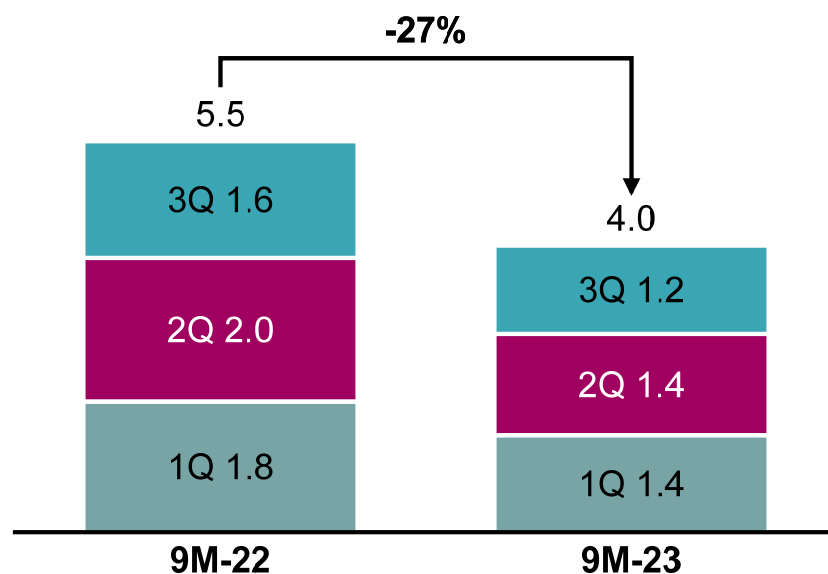


# Results: Petrochemicals

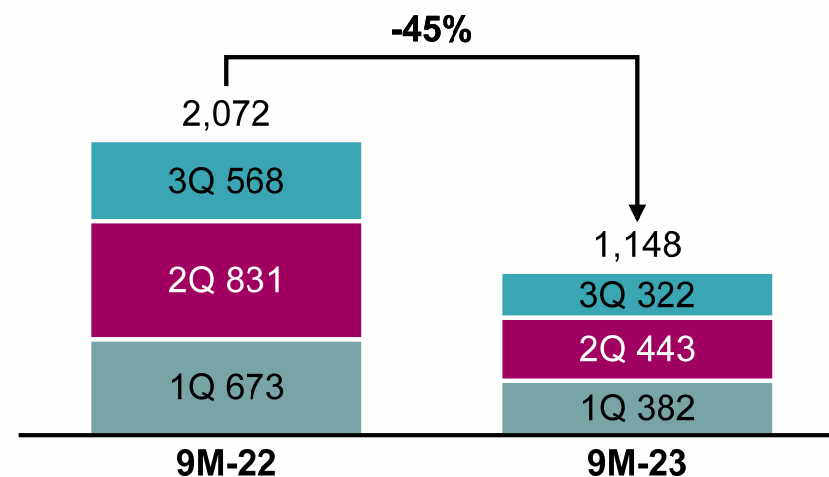
*Analysis of segment revenue & net profit*

- Revenue:** QR 4 billion, down by 27% compared to 9M-22. This decline in revenue was linked to lower blended selling prices realized (-24%) and lower sales volume (-4%) during 9M-23.
  - Revenue on sequential basis declined by 13% primarily linked to lower sales volume (-6%) and lower selling prices (-7%).
- Net profit:** QR 1,148 million, down by 45% compared to 9M-22. This decrease was mainly linked to decline reported in segmental revenues, which was affected by lower blended selling prices realized and lower sales volume during 9M-23.
  - 3Q-23 net profit decreased by 27% compared to 2Q-23, being predominantly linked to lower segmental revenue.

## Revenue (QR' billion)



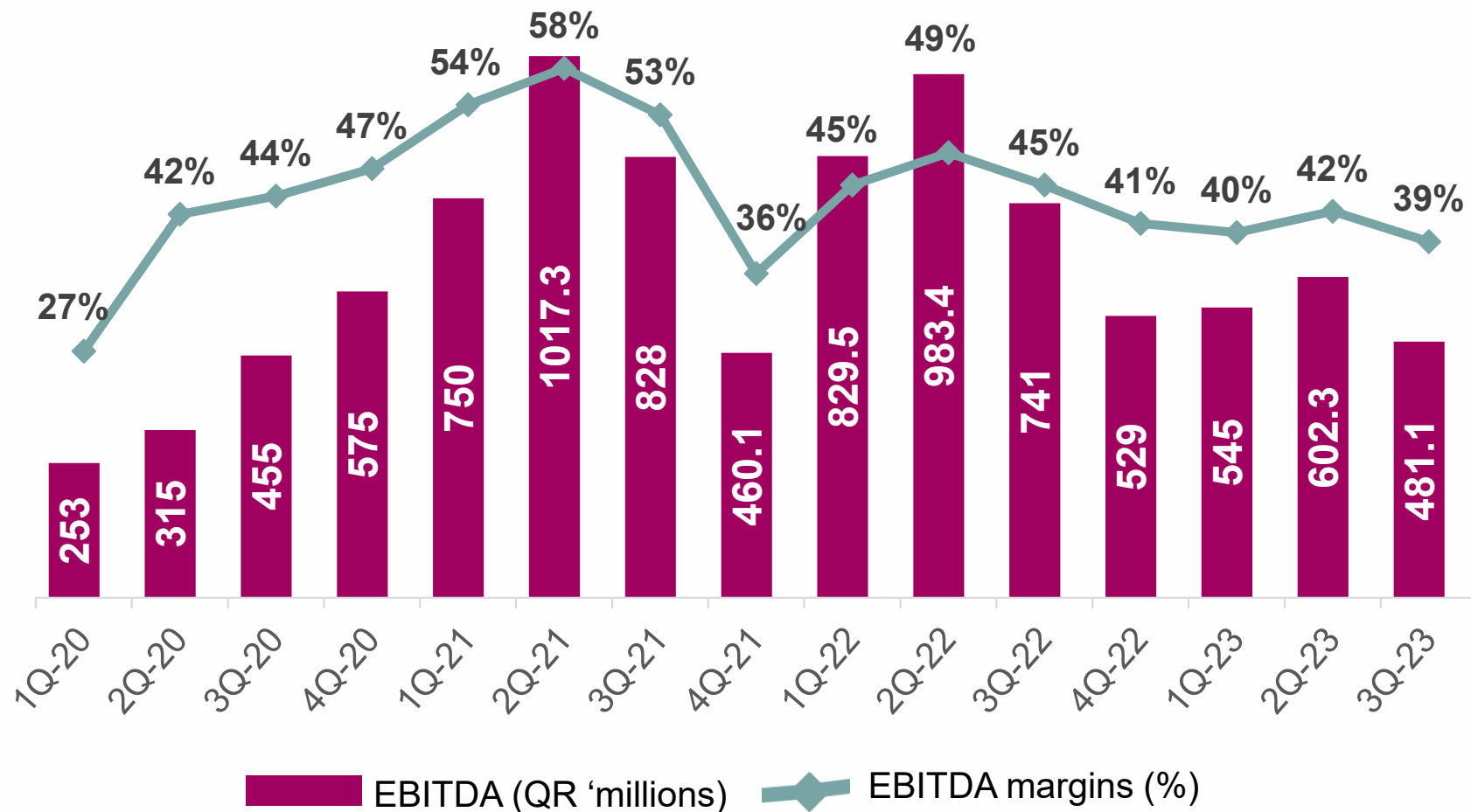
## Net profit (QR' million)



# Results: Petrochemicals

Analysis of segment EBITDA margins

## Segment's EBITDA margins continue to remain strong

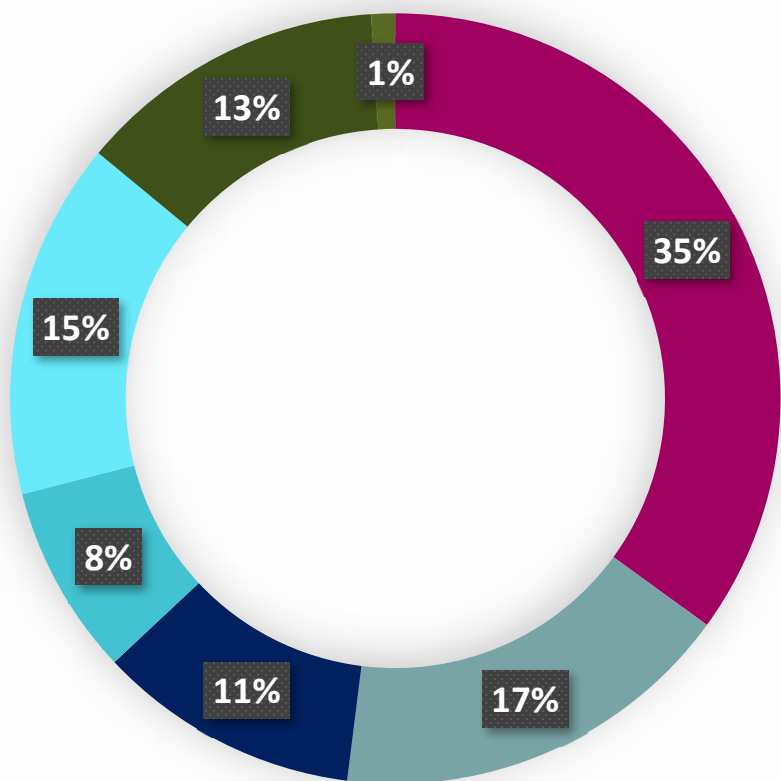


# Results: Petrochemicals

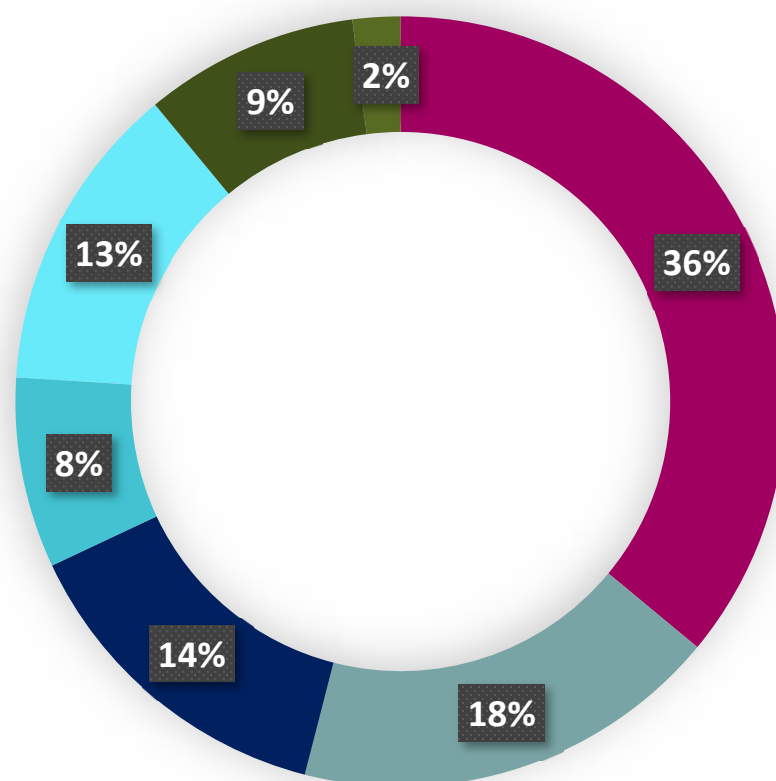
*Geographical analysis of segment revenue*

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

9M-23 Segment Revenue (%)



9M-22 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.

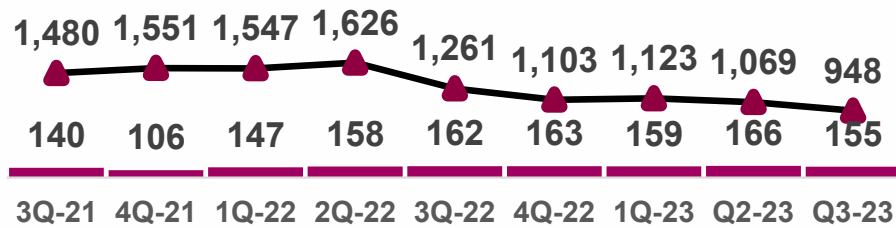


# Results: Petrochemicals

Key segment products analysis

## LDPE

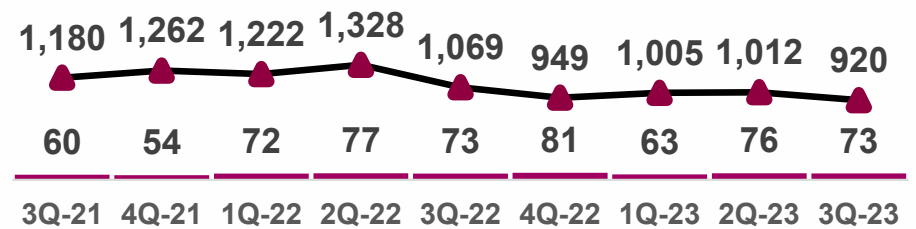
(contributed ~44% of the segment revenue in 9M-23)



Sales volumes slightly decreased during 3Q-23, while selling prices declined sequentially, as result of general decline in polyethylene markets.

## LLDPE

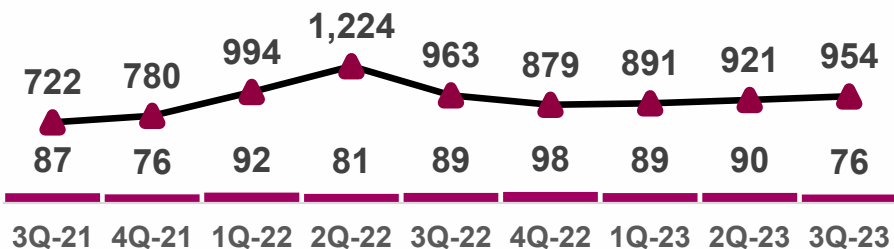
(contributed ~18% of the segment revenue in 9M-23)



Sales volumes and selling price declined during 3Q-23.

## MTBE

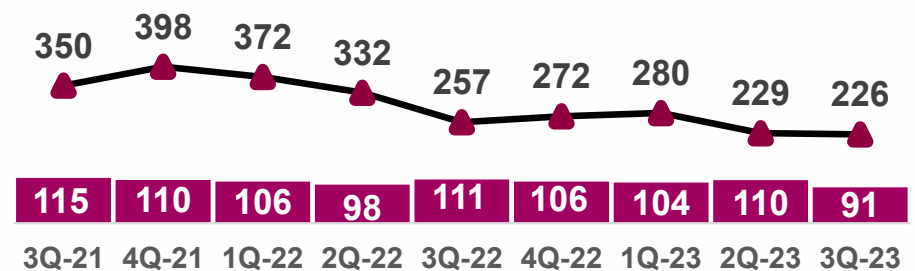
(contributed ~21% of the segment revenue in 9M-23)



Sales volumes decline during 3Q-23 with lower plant utilization rates. Selling prices slightly improved during 3Q-23.

## Methanol

(contributed ~7% of the segment revenue in 9M-23)



Sales volumes decline during 3Q-23 versus 2Q-23. While selling prices stabilizes on sequential 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).

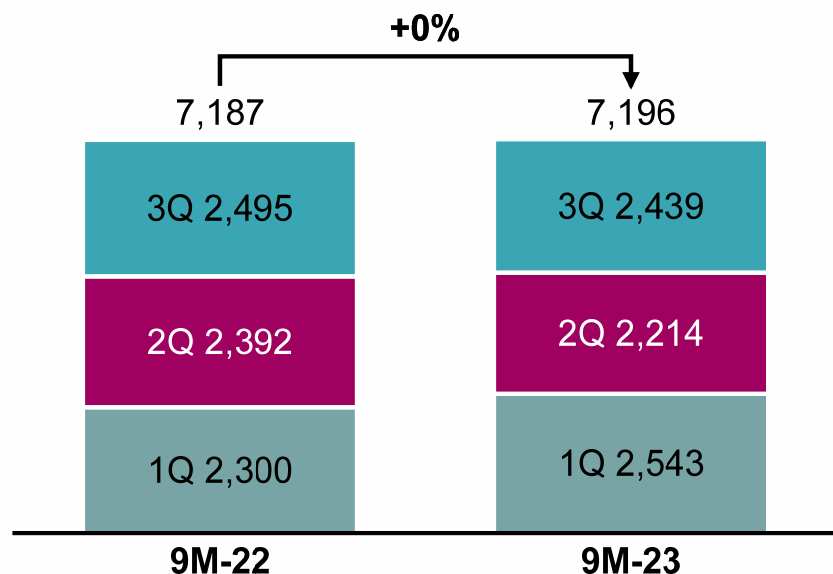


# Results: Fertilizers

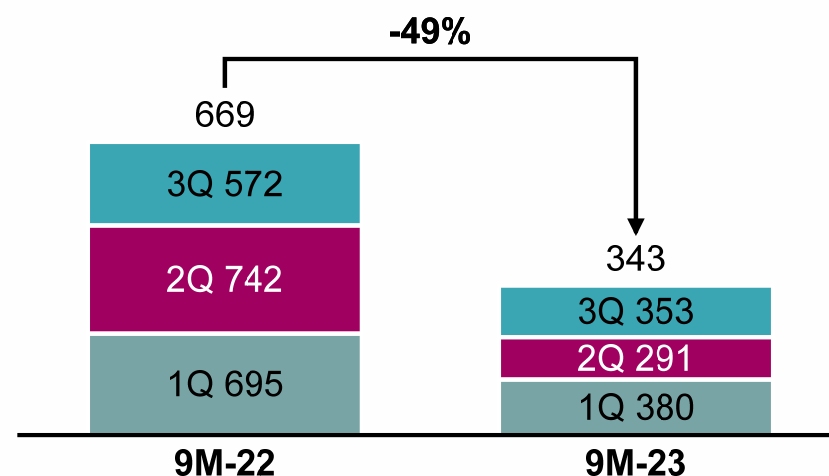
Analysis of production & selling prices

- Production:** 9M-23 production volumes remained relatively flat versus 9M-22;
  - 3Q-23 production increased compared to 2Q-23, as lower production volume was reported in Q2-23 due to facility maintenance.
- Selling Prices:** Prices down by 49% compared to 9M-22, amid macro-pressures affecting fertilizer markets.
  - Prices up by 21% during 3Q-23 compared to 2Q-23, amid sequential improvement in the fertilizer markets.

## Production (MT' 000)



## Selling prices (\$/MT)

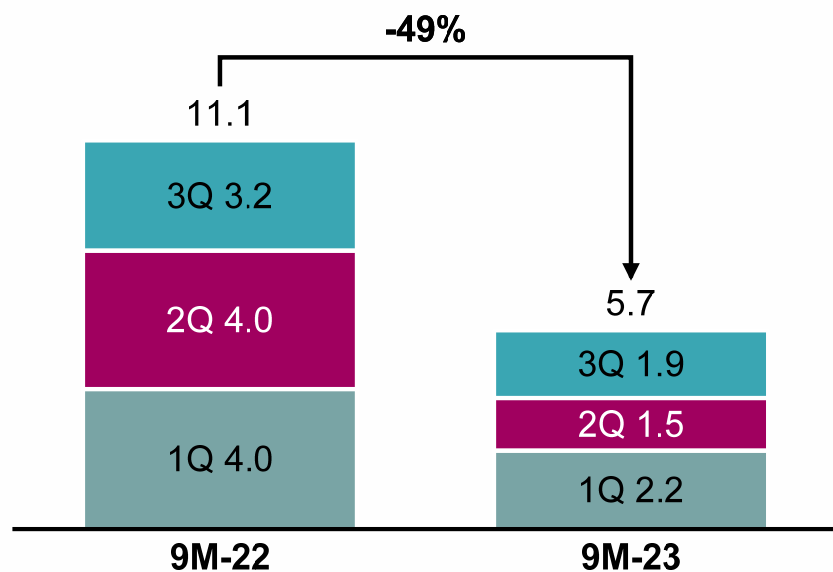


# Results: Fertilizers

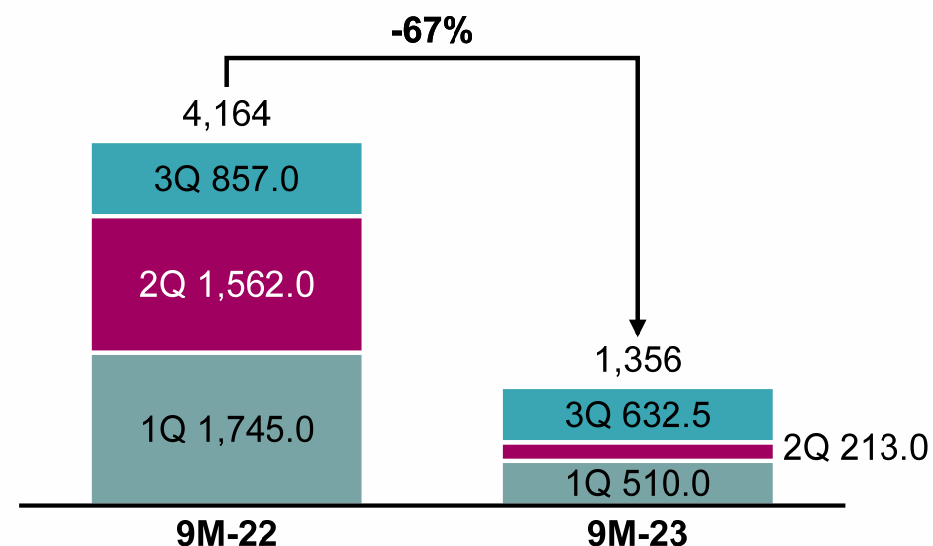
Analysis of segment revenue & net profit

- Revenue:** QR 5.7 billion, down by 49% compared to 9M-22, mainly due to lower selling prices as sales volumes remained relatively flat;
  - Revenue inclined by 29% during 3Q-23 compared to the 2Q-23, due to higher selling prices (+21%) and sales volumes by (+6%) amid higher operating days.
- Net profit:** QR 1,356 million, significantly down by 67% compared to 9M-22, due to overall incline in segmental revenues, being partially offset by lower OPEX;
  - Net profit significantly improved by 197% during 3Q-23 compared to 2Q-23, mainly due to higher segmental revenue and improved EBITDA reported for the current quarter.

## Revenue (QR' billion)



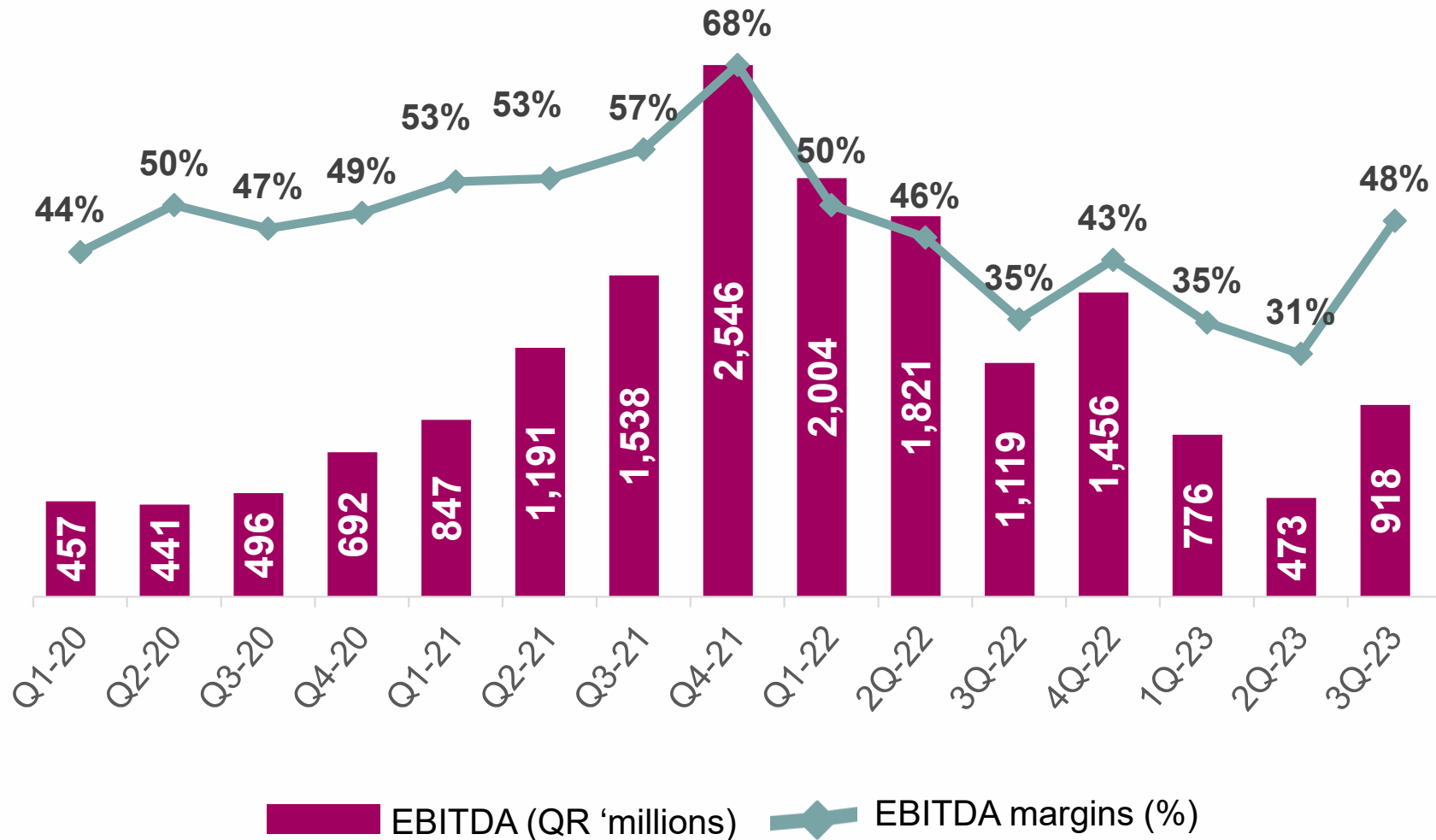
## Net profit (QR' million)



# Results: Fertilizers

Analysis of segment EBITDA margins

## Segment's EBITDA margins continue to remain resilient



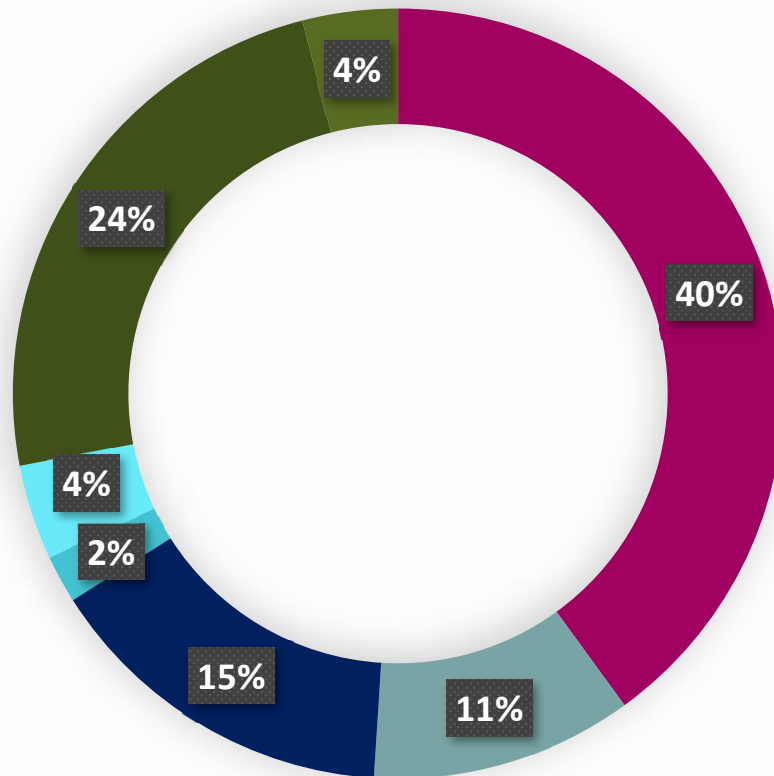


# Results: Fertilizers

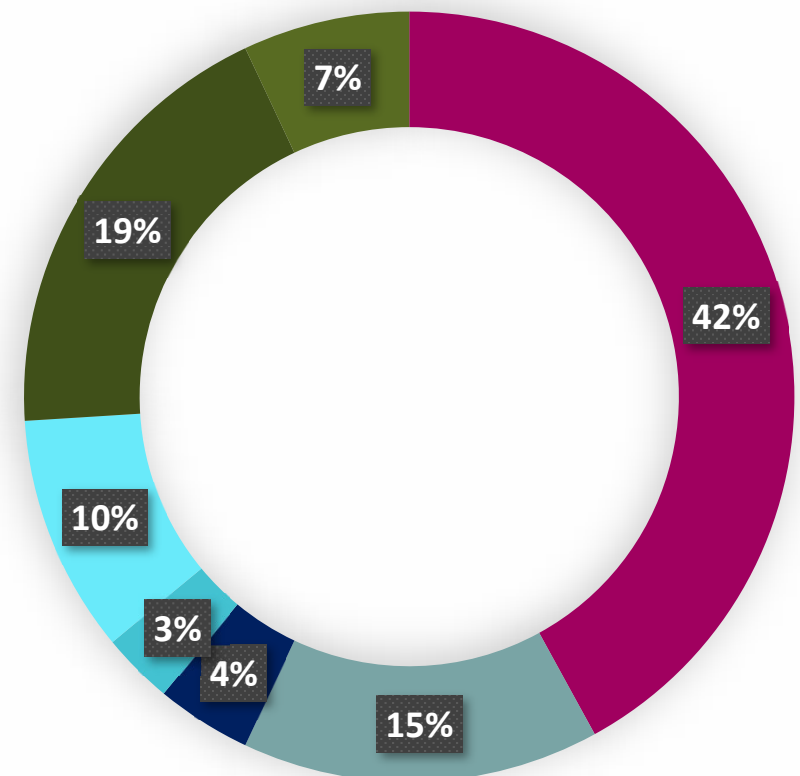
*Geographical analysis of segment revenue*

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

9M-23 Segment Revenue (%)



9M-22 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.

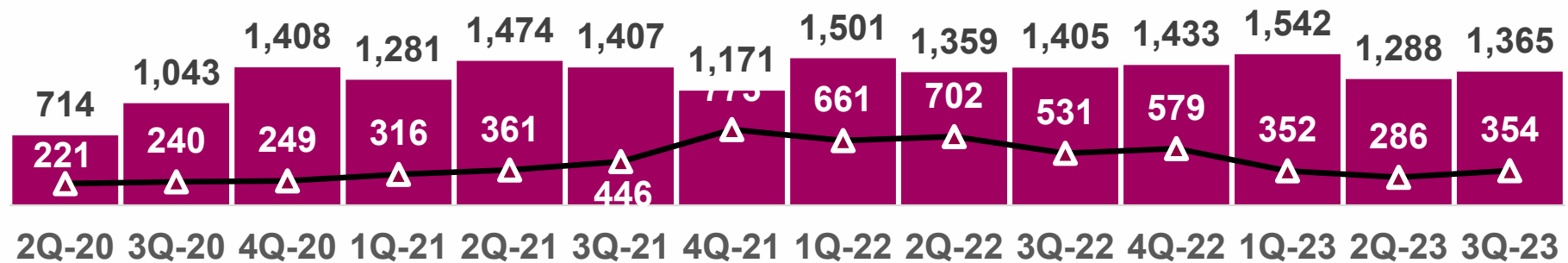


# Results: Fertilizers

Key segment products analysis

## Urea

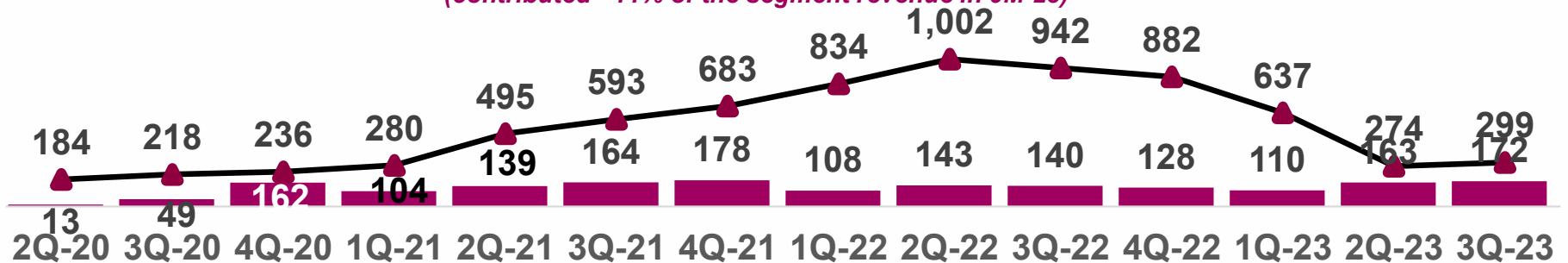
(contributed ~86% of the segment revenue in 9M-23)



Sales volumes incline during 3Q-23, as the previous quarter was marked by lower production on account of facility maintenance. Prices of urea inclined during 3Q-23, amid noted improvement in the global fertilizer markets.

## Ammonia

(contributed ~11% of the segment revenue in 9M-23)



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 reflects IQ's share in the respective entities. *It's important to note that Al-Qataria Steel information is not included in the reported steel information as the acquisition was post Q3-23.*

- 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 with current target capacities at: DRI/ HBI: 1,500k MT; Billets: 1,000k MT; Rebars: 1,100k MT per annum (incl. 300k

35 MT Rebars from UAE ops).

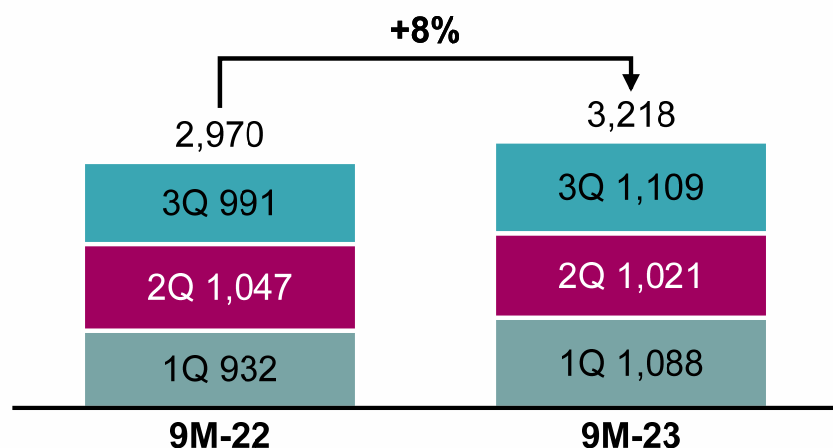


# Results: Steel

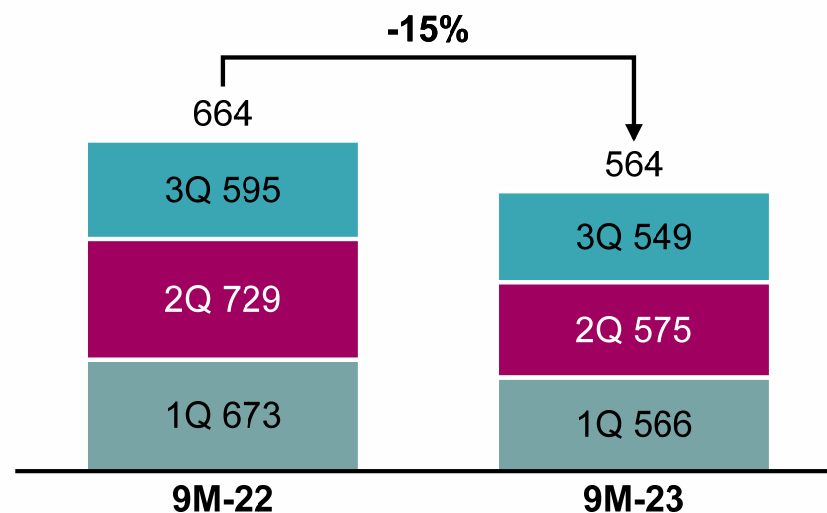
Analysis of production & selling prices

- Production:** Production increased by **8%** compared to 9M-22, as the segment only restarted larger DR-2 facility during latter part of 1Q-22, while additional volumes from DR-2 facility were reported since the start of 1Q-23;
  - Production volumes inclined by **9%** during 3Q-23 in comparison to 2Q-23, on account relatively higher plant operating rates.
- Selling Prices:** Declined by **15%** compared to 9M-22, primarily due to softening steel prices caused by uncertainty in global steel demand and muted domestic consumption due to restriction on construction working hours during summer.
  - Prices decline during 3Q-23 by **5%** compared to the 2Q-23, mainly due to supply-demand dynamics within the global steel markets.

## Production (MT' 000)



## Selling prices (\$/MT)

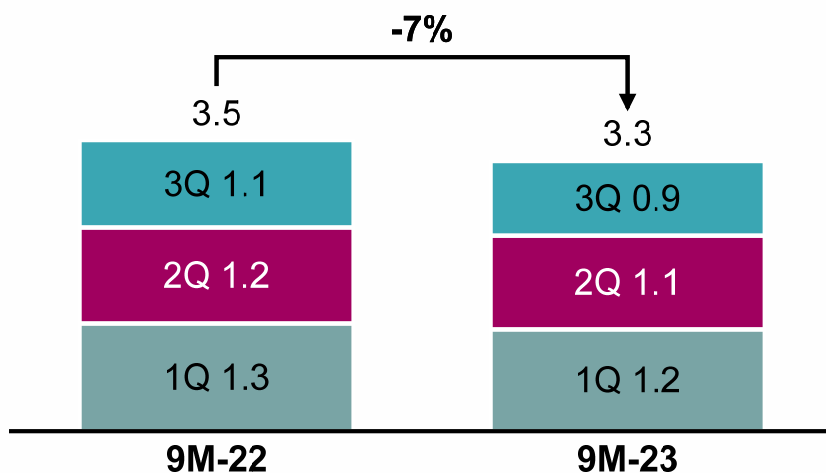


# Results: Steel

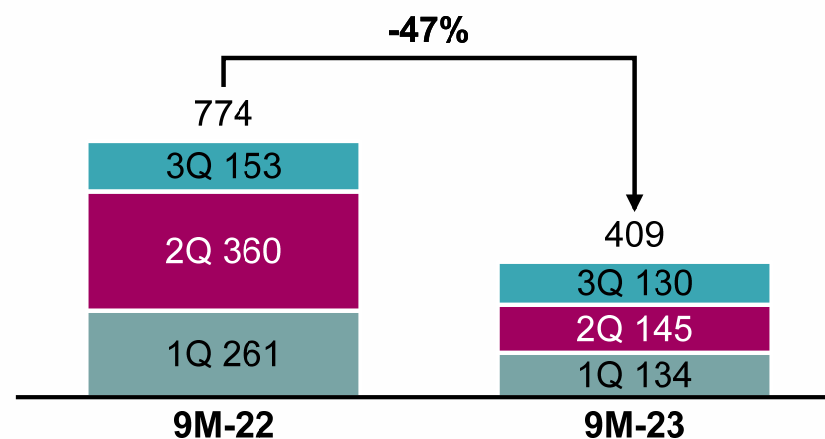
*Analysis of segment revenue & net profit*

- Revenue:** QR 3.3 billion, down by 7% on 9M-22 amid decrease in selling prices being partially offset by higher sales volumes (+9%), amid better production;
  - Revenue decreased by 20% during 3Q-23 compared to 2Q-23, due to relatively lower sales volumes (-16%) and lower selling prices (-5%).
- Net Profit:** Net profit of QR 409 million for 9M-23 with 47% decline compared 9M-23, primarily due to decline in prices. Additionally, earnings were also impacted by higher volume related operating expenses and marginally reduced other operating income.
  - Profitability declined by 10% during 3Q-23 compared to 2Q-23, mainly driven by lower segmental revenue, due to subdued demand. The impact was partially offset by a decrease in operating expenses.

## Revenue (QR' billion)

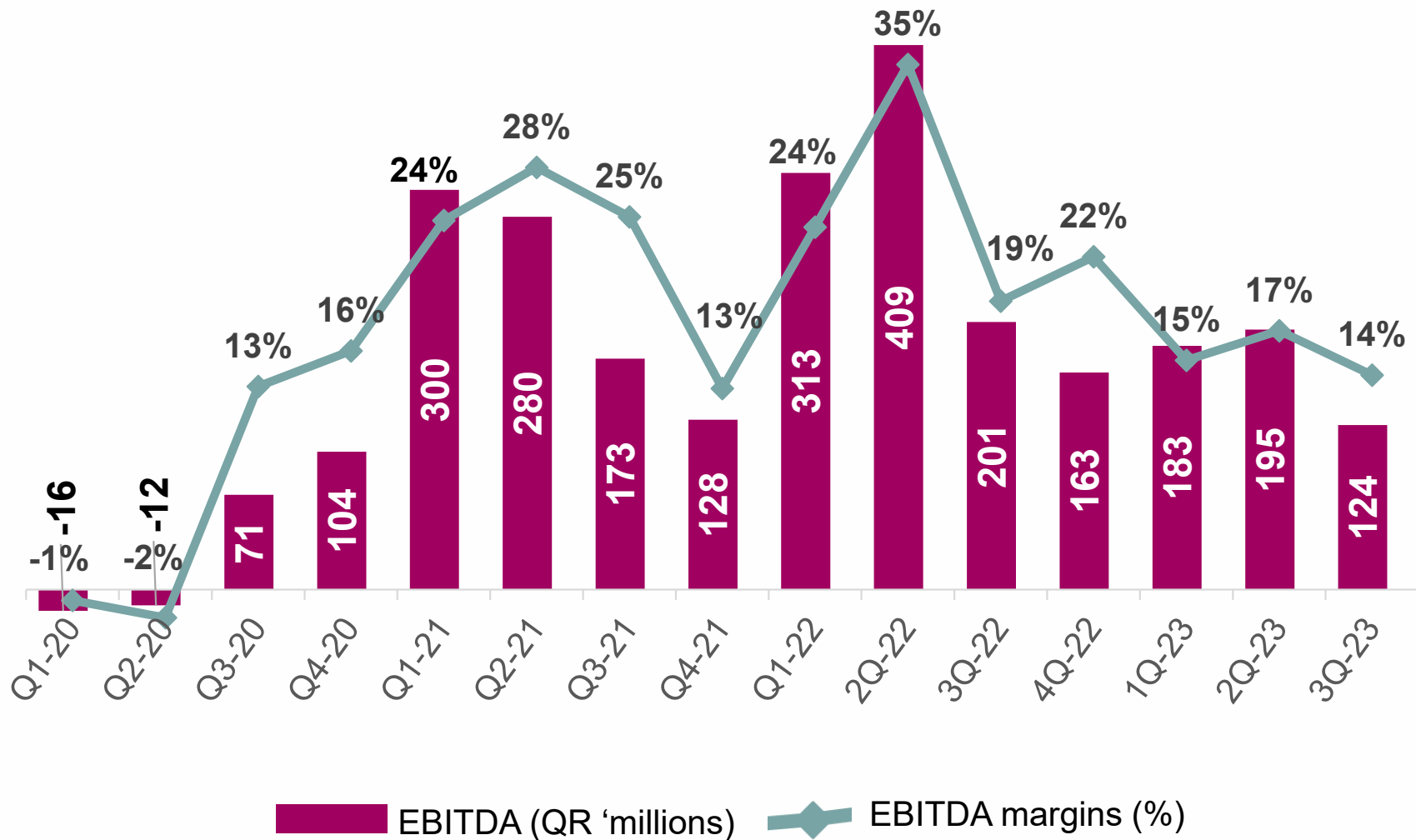


## Net profit (QR' million)



# Results: Steel

Analysis of segment EBITDA margins

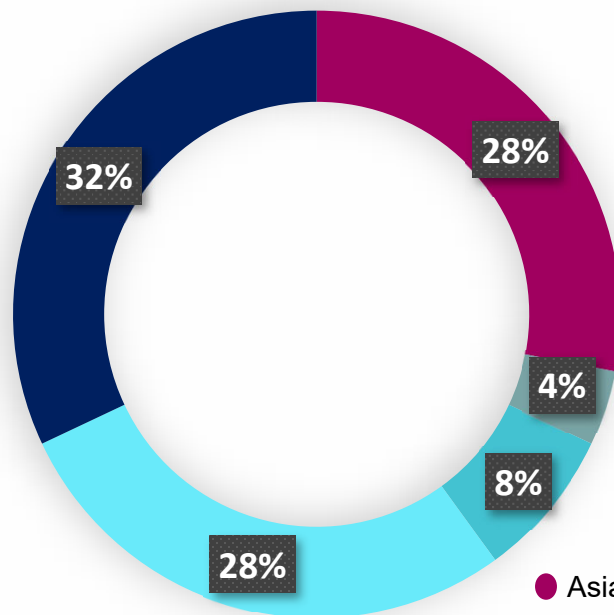


# Results: Steel

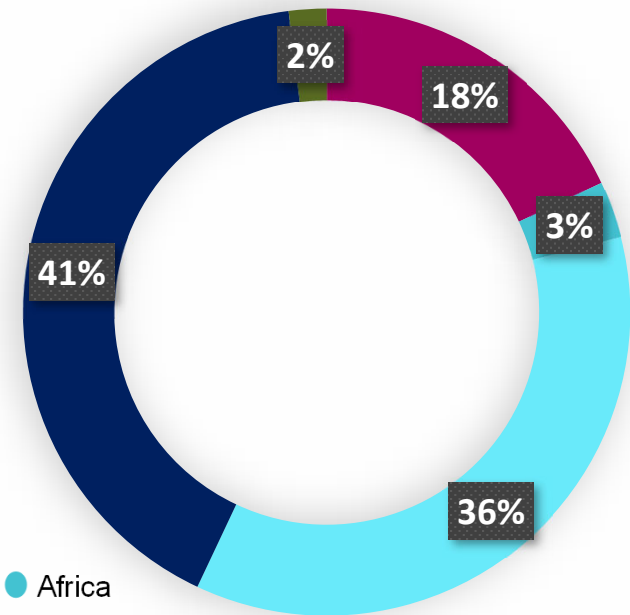
## Geographical analysis of segment revenue

- Starting from 2Q-20, the Group decided to temporarily 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.
- The segment restarted DR-2 facility during 1Q-22, as against DR-1 which was operational until the end of 2021. DR-2 has a production capacity of 1,500k 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 DR per annum to be sold directly in the market.

9M-23 Segment Revenue (%)



9M-22 Segment Revenue (%)



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

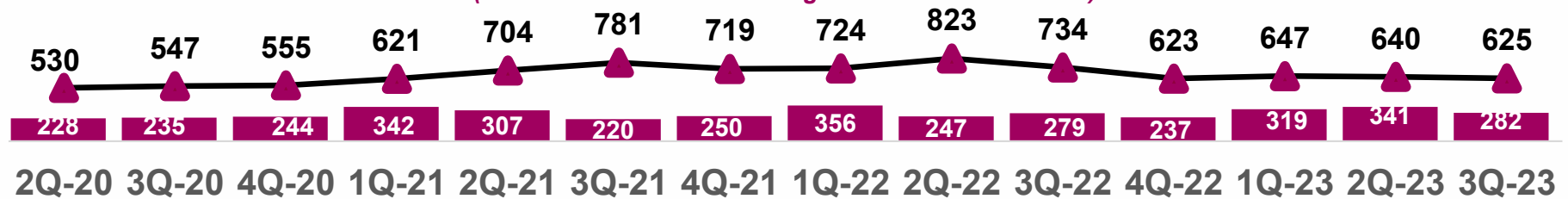


# Results: Steel

Key segment products analysis

## Rebars

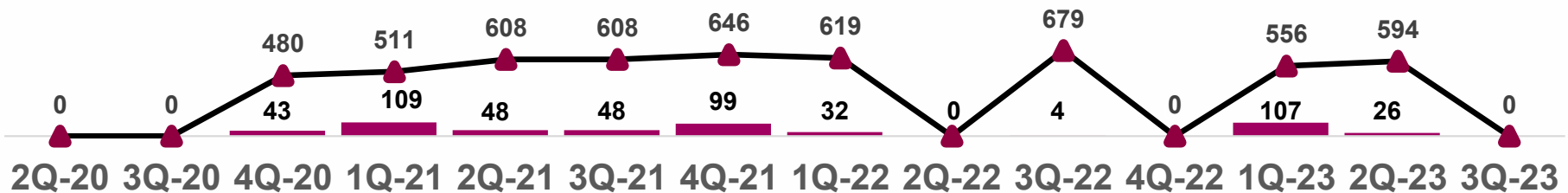
(contributed ~64% of the segment revenue in 9M-23)



Selling prices and sales volume slightly decline in 3Q-23, due to supply-demand dynamics.

## Billets

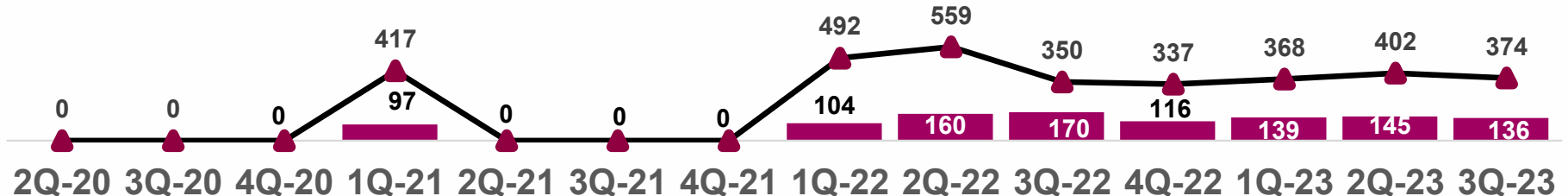
(contributed ~8% of the segment revenue in 9M-23)



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

(contributed ~17% of the segment revenue in 9M-23)



Sales volumes for DRI/HBI increased significantly since the start of 2022, following restart of DR-2 facility.





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# CAPEX (2023F – 2027F)

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# CAPEX (2023F – 2027F)

- CAPEX / PUD spend of **QR 11.0 billion** ▪ major capacity addition in fertilizer segment (QR 4.4 bn in Qafco 7), PVC in QAPCO (via QVC) ▪ other CAPEX include turnaround (QR 1.9 bn), investment projects (QR 3.3 bn)
- **QAPCO (capex of QR 1.0 billion)**
  - QR 0.3 billion of related to major projects / operations related projects;
  - Turnaround / reliability related CAPEX of QR 0.1 billion;
  - PUD / Capacity additions QR 0.3 billion.
- **QAFAC (capex of QR 0.3 billion)**
  - Turnaround & annual maintenance (2023 / 2027) QR 0.1 billion, other routine CAPEX of QR 0.2 billion ▪ no capacity related CAPEX;
- **Qafco (capex of QR 9.2 billion)**
  - Qafco 7 (QR 4.4 billion, fully equity funded);
  - Investment Projects (QR 3.4 billion) ▪ major projects include NZLD QR 0.2 bn, Avon Power (QR 0.1 bn, New Desalination Unit (0.1 bn)
  - Turnaround expenses QR 1.4 billion
- **Qatar Steel (capex of QR 0.5 billion)**
  - CAPEX mainly related to turnaround, IT and other routine capital expenditures;
  - Turnaround CAPEX (0.3 billion), and others (QR 0.2 billion)

CAPITAL EXPENDITURE BY TYPE						
QR Bn	2023	2024	2025	2026	2027	Total
Turnaround	0.56	0.29	0.32	0.23	0.47	1.87
Major Project / Inv /PUD	2.26	2.93	1.53	0.76	0.31	7.79
Ops / Tech Road Map	0.15	0.07	0.03	0.01	0.00	0.27
IT, IS & Support	0.04	0.02	0.01	0.01	0.01	0.09
Routine Capex	0.33	0.24	0.12	0.18	0.10	0.97
<b>Group</b>	<b>3.34</b>	<b>3.55</b>	<b>2.01</b>	<b>1.20</b>	<b>0.90</b>	<b>11.00</b>

CAPITAL EXPENDITURE BY VENTURE						
QR Bn	2023	2024	2025	2026	2027	Total
QAPCO	0.56	0.28	0.06	0.08	0.01	0.98
QAFAC	0.10	0.06	0.01	0.01	0.06	0.26
QAFCO	2.54	3.12	1.84	1.01	0.73	9.22
QS	0.14	0.10	0.10	0.10	0.10	0.53
<b>Group</b>	<b>3.34</b>	<b>3.55</b>	<b>2.01</b>	<b>1.20</b>	<b>0.90</b>	<b>11.00</b>

**Note:** The CAPEX figures for the years 2023-27 are based on the 2023 approved budget and business plan, based on the expectations of the market conditions and commodity prices forecasted at the time of finalizing the 2023 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**

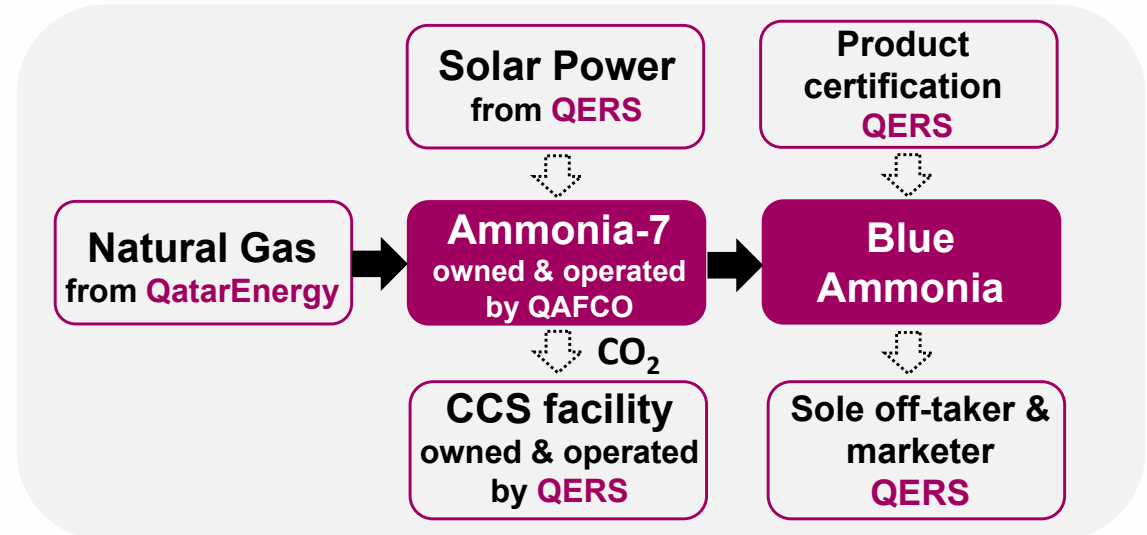
**Capacity up to 1.2 million mtpa of Blue Ammonia**

**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**

43 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

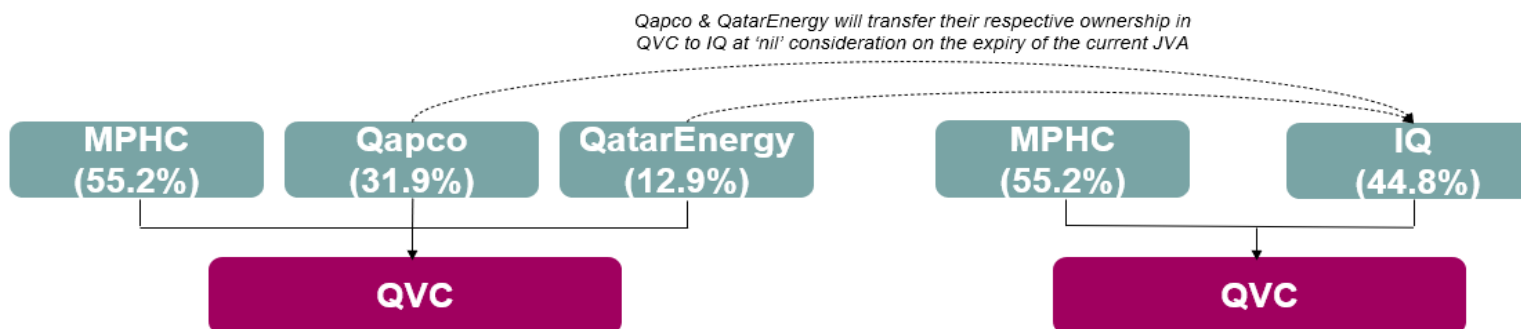
**IQ will fund 44.8% of the project**; remaining funding by MPHC

## 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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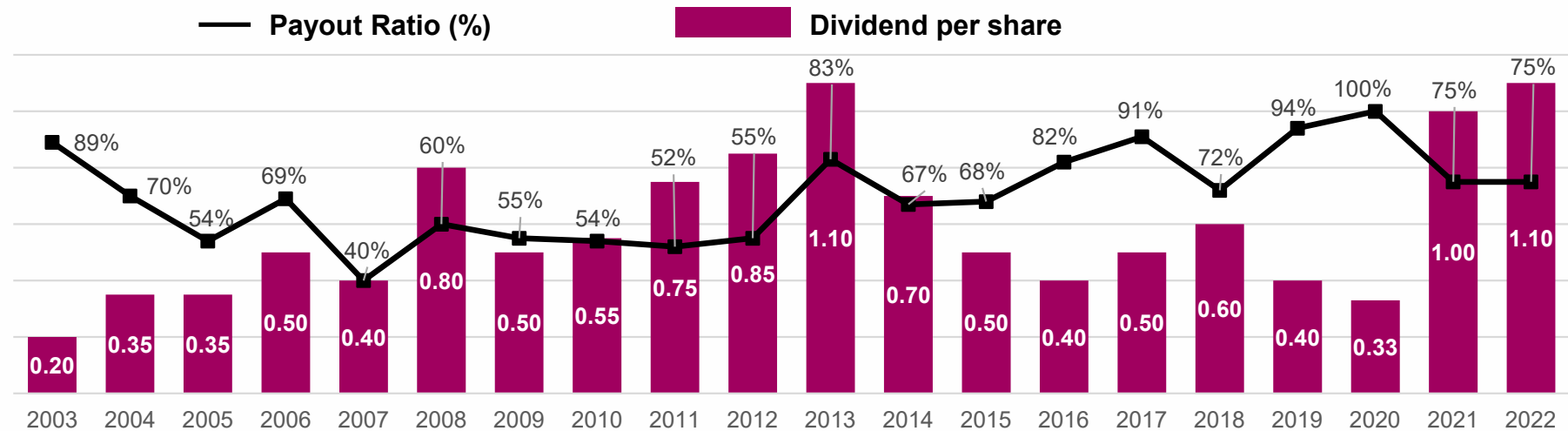
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# Dividends and market capitalization

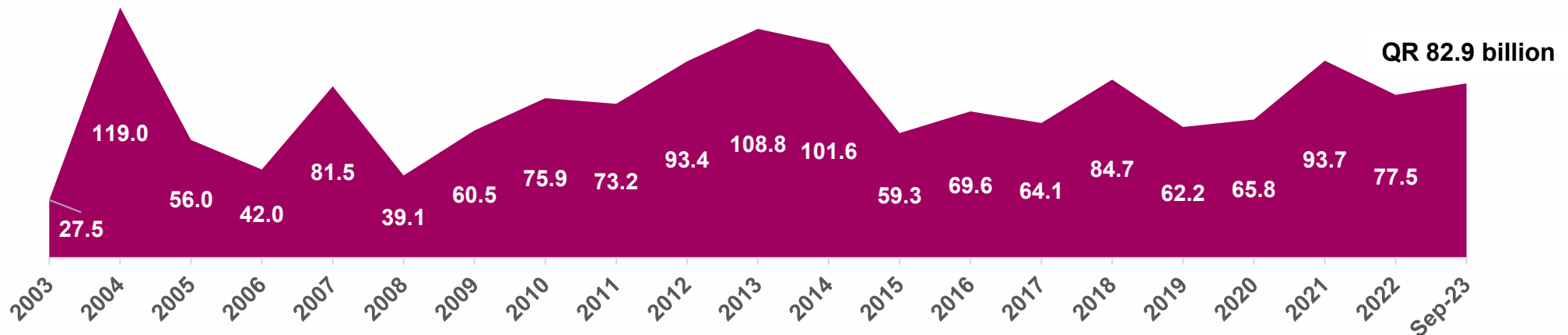
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# Dividends & Market Capitalization



Market Capitalization (QR billion)



- To date, cash dividends totaling QR 68.1 billion have been distributed, equivalent to QR 11.3 per share;
- The Company was included on the MSCI Qatar Index in May 2014.



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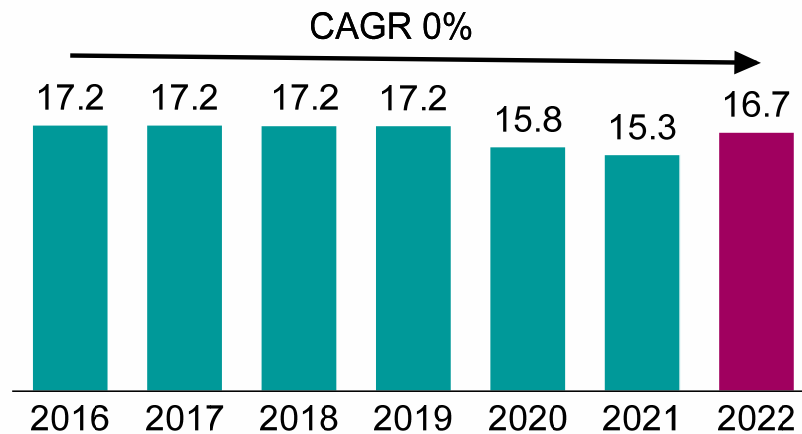
# Historical performance (2016 - 2022)

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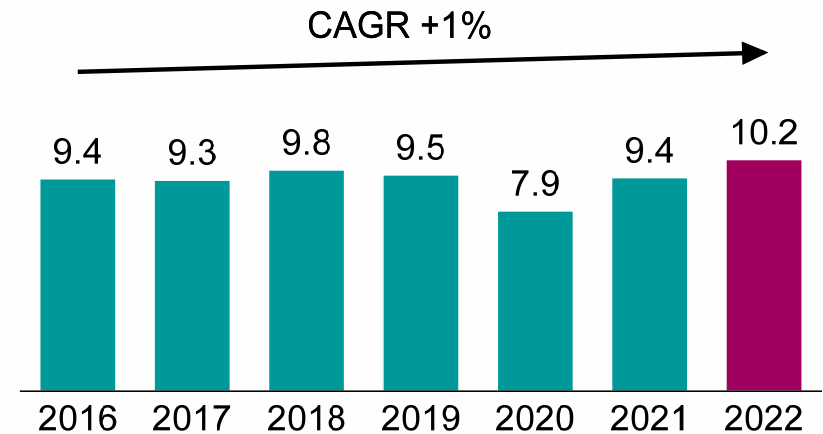
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# Historical performance (2016 - 2022)

## Production (M MT's)

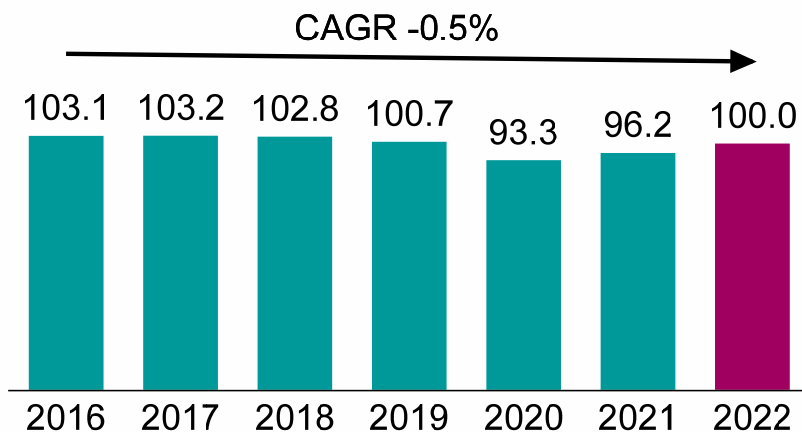


## Sales Volumes (M MT's)

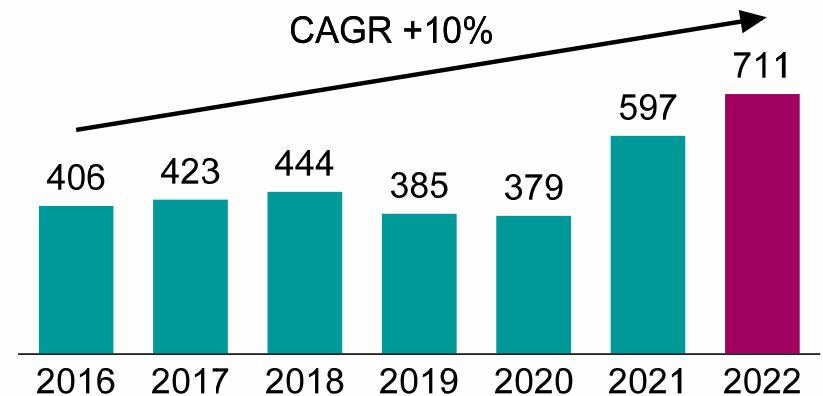


- Production volumes and utilization rates remained steady since 2016
- Movement sales volumes remained inline with the overall movement in production volumes
  - Selling prices were influenced by macroeconomic cycles

## Utilization (%)



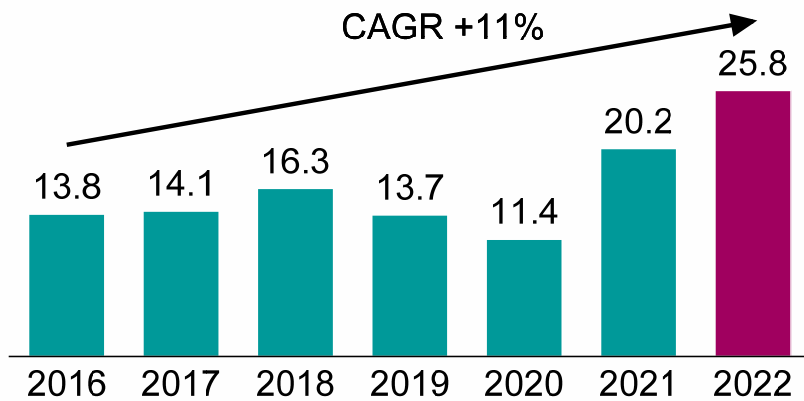
## Selling Prices (USD / MT)



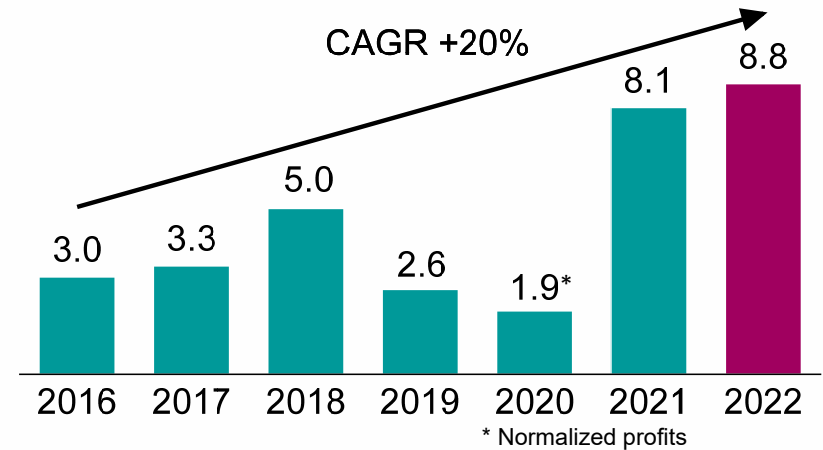


# Historical performance (2016 - 2022)

**Revenue (QR Bn)**

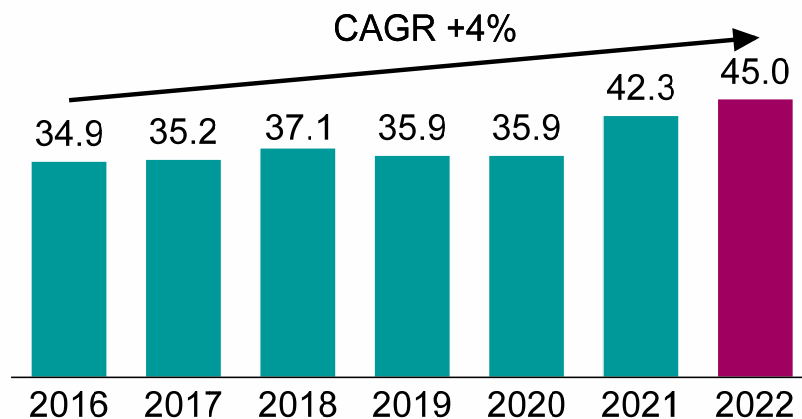


**Net income (QR Bn)**

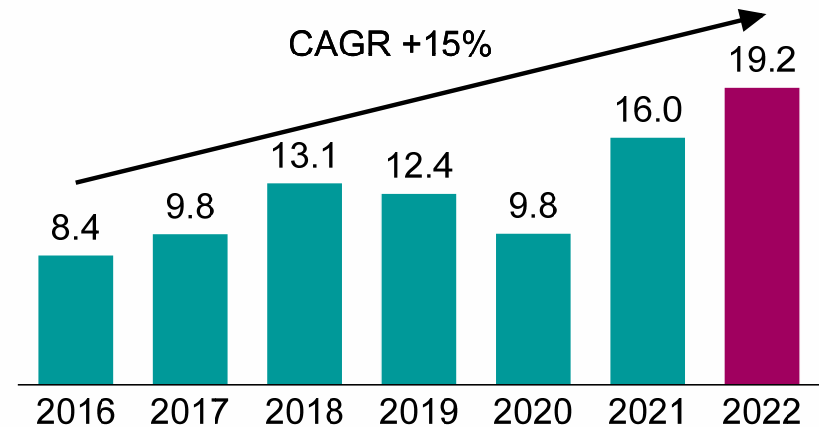


- Revenue trends moved in line with the selling prices
- Movements in revenue together with operating costs affected the net income growth
- Cash flow generation for the Group remained robust, despite cyclical profitability.

**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 1st 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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Email: [iq.investorrelations@qatarenergy.qa](mailto:iq.investorrelations@qatarenergy.qa) or [iq@qatarenergy.qa](mailto:iq@qatarenergy.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.