



# Industries Qatar

## Investor Relations Presentation

31 March 2022

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

# DISCLAIMER

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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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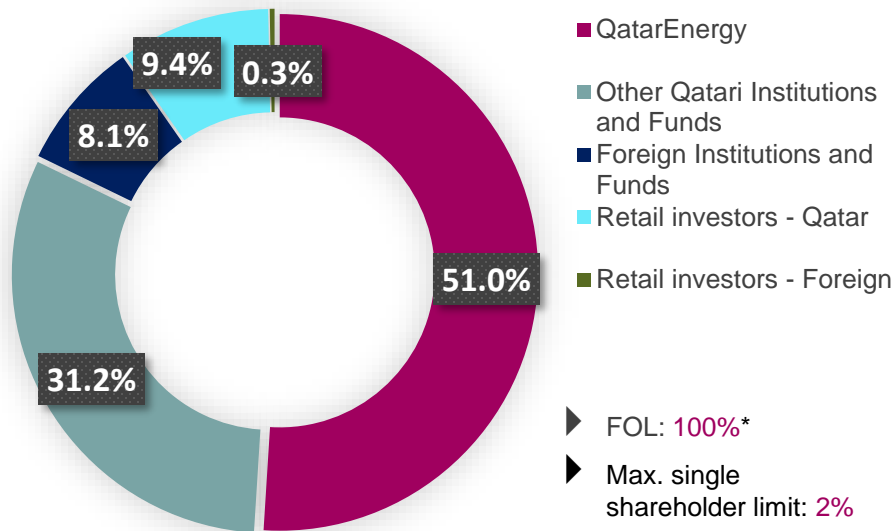
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# IQ at a Glance

## 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 (**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.

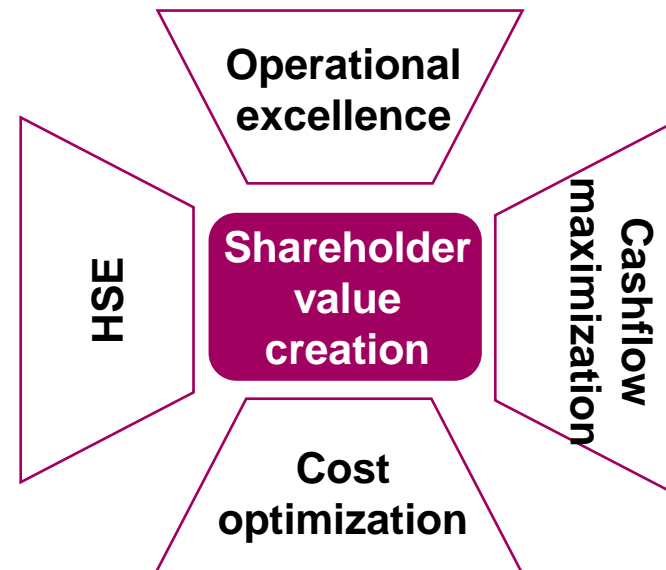
## IQ's shareholding structure



Note: Shareholder data as of 31-Mar-22

\* Board of Directors approved to increase the FOL to 100%, implementation is subject to regulatory approvals.

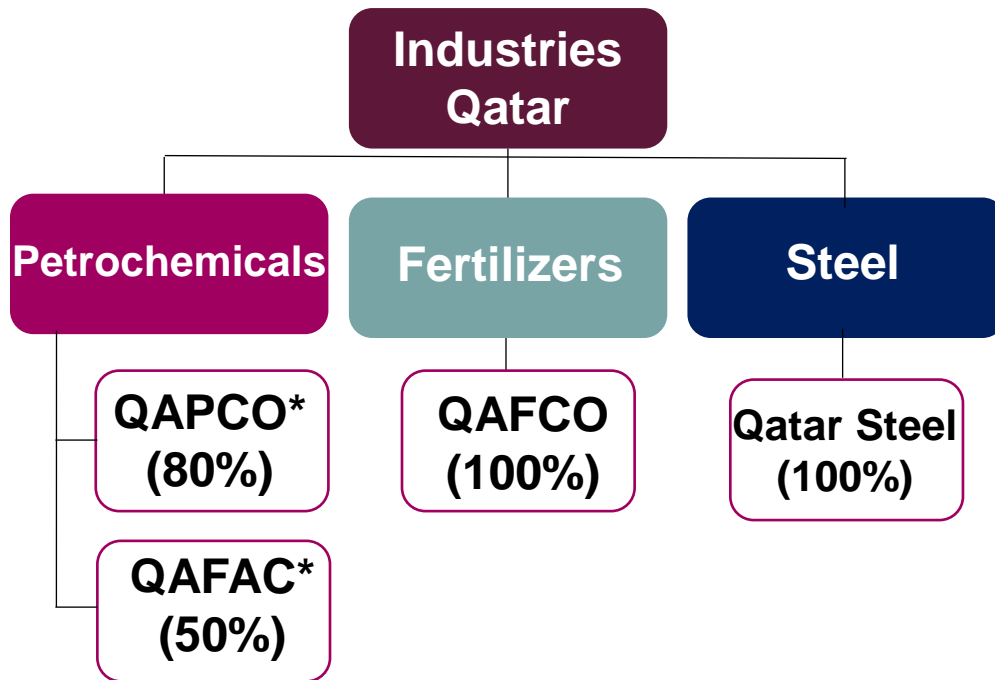
## Core values



# IQ business segments at a glance

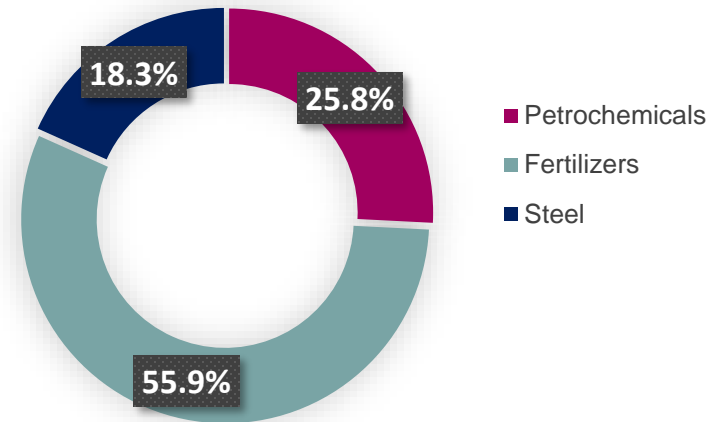
## Business segments overview

- 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.

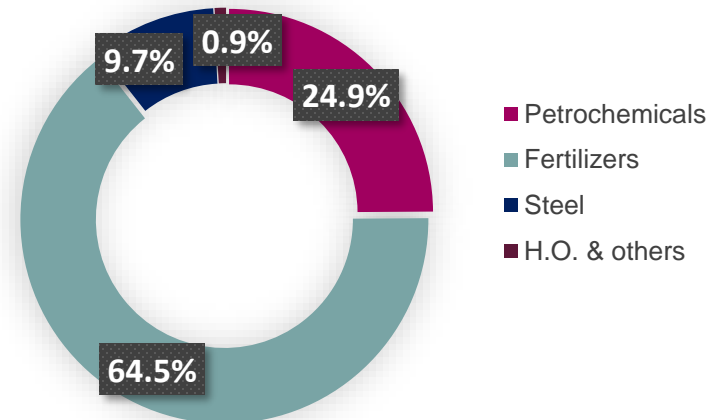


\*Joint venture stake

## Segment size by Revenue



## Segment size by Net Profits



Note: Revenue and net profit data as of 31-Mar-22

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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

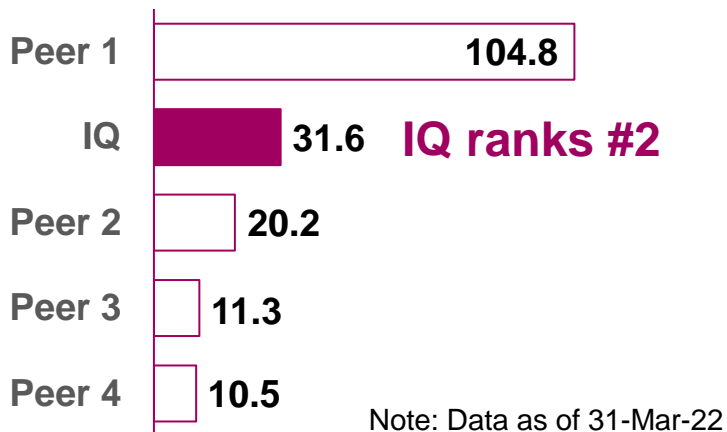
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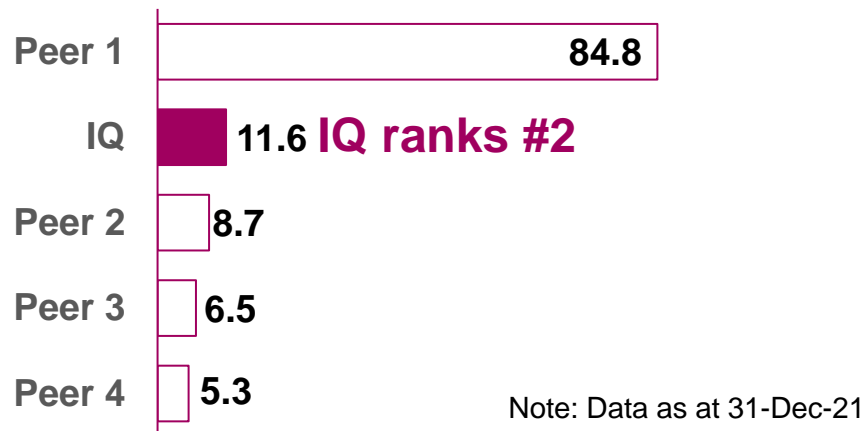
IQ ranked **#28** among  
***“2021 Forbes List of Top 100 Companies in the Middle East”***

# Competitive positioning versus regional peers

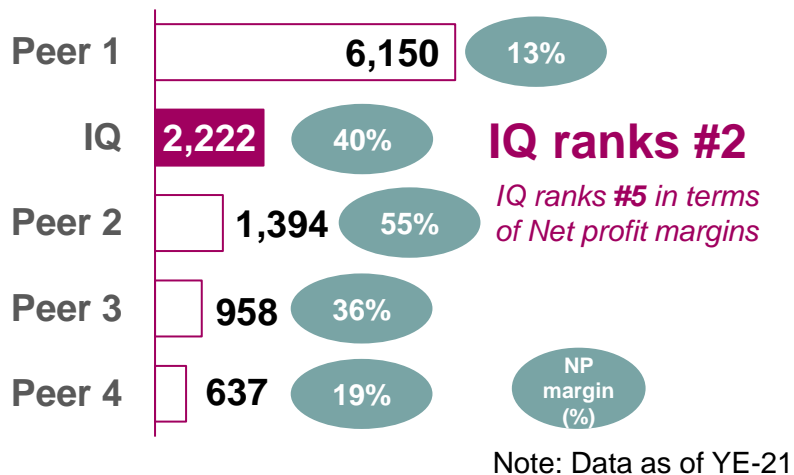
## Market Cap. (USD' billion)



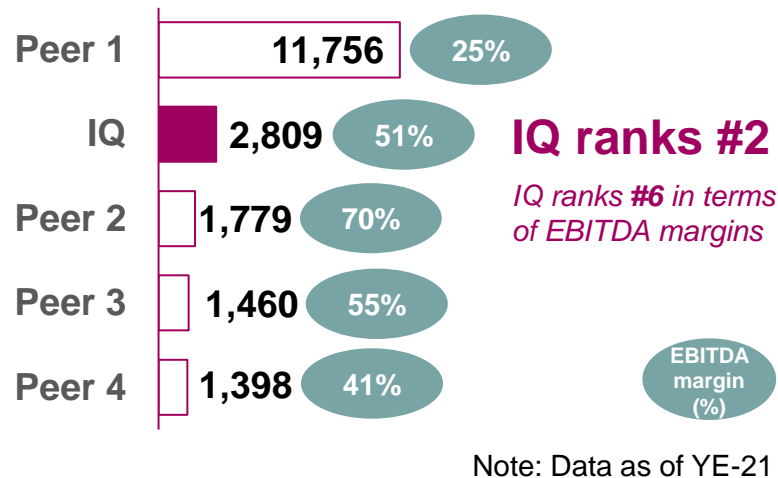
## Total Assets (USD' billion)



## Net profit (USD' million)



## EBITDA (USD' million)



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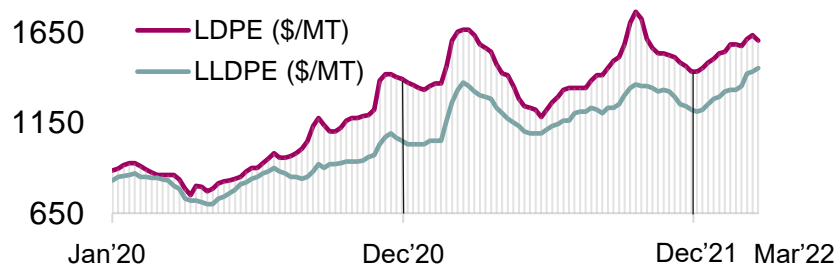
# Macroeconomic updates

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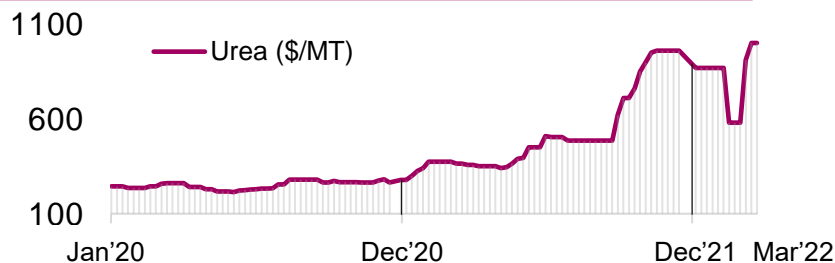
# Macroeconomic updates

## Petrochemicals



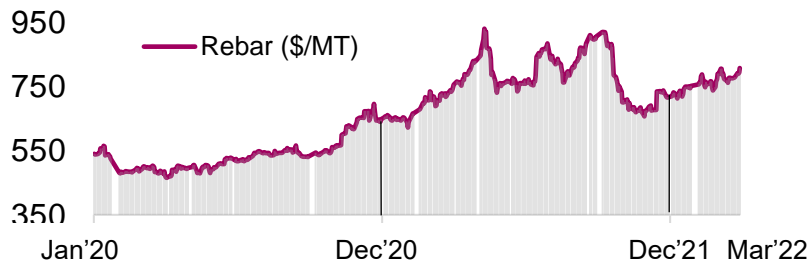
- Demand for most of the petrochemicals slightly inched downward, as buyers remained cautious hoping for lower prices after reaching its peak in last year. Also, seasonal effects weighed on most of the commodities' demand, mainly during early parts of the year.
- Supply side was affected amid Russia-Ukraine conflict enforcing sharp rise in energy prices; specifically during latter part of 1Q-22, challenging plant economics.

## Fertilizers



- During first two months of 2022, fertilizer prices demonstrated bearish trends; while starting from March'22 the prices started to demonstrate strength on account of higher energy prices and Russian sanctions posing uncertainty of supply interruptions.

## Steel



- Steel prices continued its positive trajectory since Q4-20, underpinned by increase in steel demand linked to elevated construction activity, coupled with higher raw material costs internationally. However, prices during second half of 2021 have slightly softened after peaking until mid of 2021. Recently the prices again slightly started to pick-up.
- Prices within the domestic steel market remained aligned with international market trends.

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# Group results

## (For the three-month period ended 31 March 2022)

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# 1Q-22 results at a Glance

Growth vs. 1Q-21

**Revenue**  69%  
QR 7.1 billion

**EBITDA**  67%  
QR 3.2 billion

**Net profit**  87%  
QR 2.7 billion

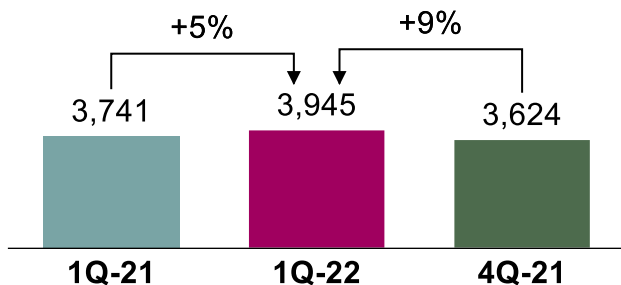
*EBITDA Margin: 46%*

*EPS: QR 0.45    RoAE: 26.9%*

- Prices across most of the product range slightly declined after peaking during last year on a quarter-on-quarter basis; while year-on-year price trajectories remained elevated
- Qatar Steel decides to mothball a smaller DR facility and switching back to a larger DR facility.

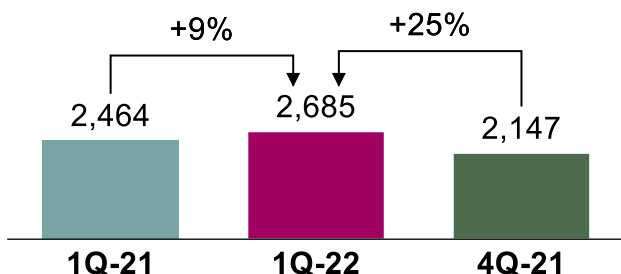
# Operational performance review

## Production (MT' 000)



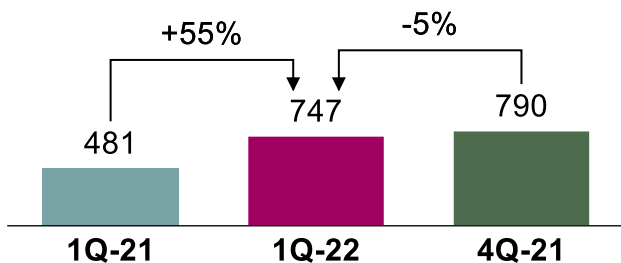
- 1Q-22 vs 1Q-21: production volumes increased, mainly driven by higher volumes from fuel additives facilities (commercial shutdown during first half of 2021) and higher steel volumes due to restart of DR-2 facilities while mothballing DR-1 facilities.
- 1Q-22 vs 4Q-21: production levels improved, driven by higher PE volumes (largescale shutdown in 4Q-21) and higher steel volumes (DR-2 restart), partially offset by lower fertilizer production.

## Sales volume (MT' 000)



- 1Q-22 vs 1Q-21: sales volumes increased mainly due to higher fuel additives volumes and higher fertilizer volumes, partially offset by lower steel volumes.
- 1Q-22 vs 4Q-21: sales volumes significantly improved due to higher PE volumes (largescale shutdown in 4Q-21), higher fertilizer volumes on account of timing of shipments carried forward from 4Q-21 and higher steel volumes due to restart of DR-2 facilities.

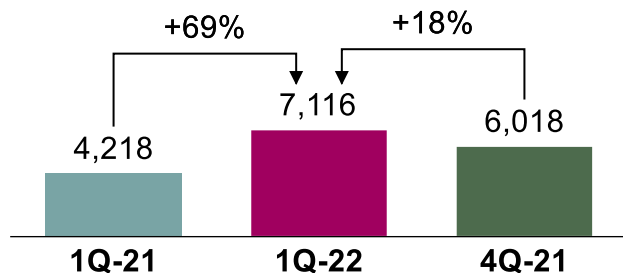
## Selling prices (\$/MT)



- 1Q-22 vs 1Q-21: year-on-year price trajectories remain elevated with continued support from heightened economic activity, persistent GDP growth and limited supply.
- 1Q-22 vs 4Q-21: prices inched downward due to cautious approach from buyers, along with seasonal effects weighed on most of commodities' demand. However, higher energy prices, coupled with supply side disruptions linked to Russia-Ukraine conflict creating a new layer of supply deficits.

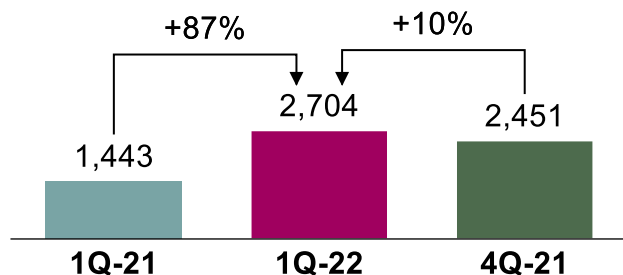
# Financial performance review

## Revenue (QR' million)



- 1Q-22 vs 1Q-21: Group revenue increased significantly, mainly on account of overall increase in blended selling prices and higher sales volumes.
- 1Q-22 vs 4Q-21: Group revenue improved mainly due to higher sales volumes, slightly offset by lower selling prices.

## Net profit (QR' million)



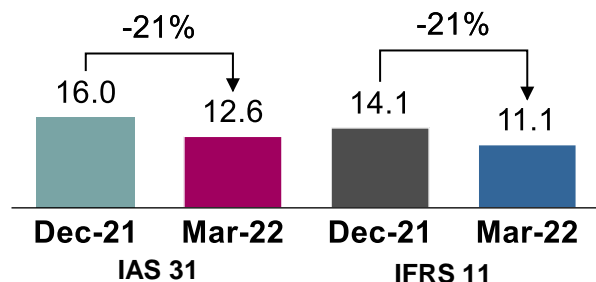
1Q-22 vs 1Q-21: results were significantly improved due to:

- Better price trajectory across the product range; and
- Higher sales volumes.

Partially offset by higher variable cost on account of increased sales volumes and end-product price indexed raw material cost.

1Q-22 vs 4Q-21: profitability improved with higher revenues.

## Net cash (QR' billion)



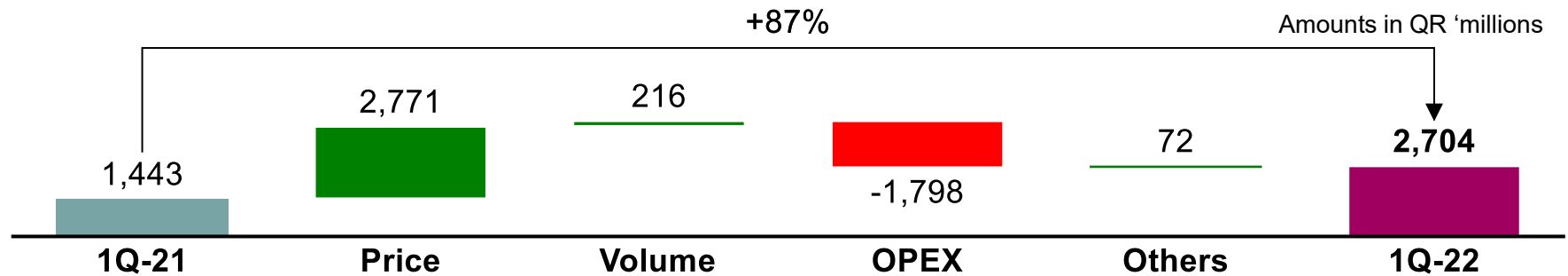
- Total cash across the Group stood at QR 12.6 billion (under IAS 31). Cash decreased from last year mainly due to payment of 2021 dividends partially offset by improved free cash flow generation during the current period (QR 2.6 billion).
- There is no long-term debt across the Group.



# Net profit variance analysis

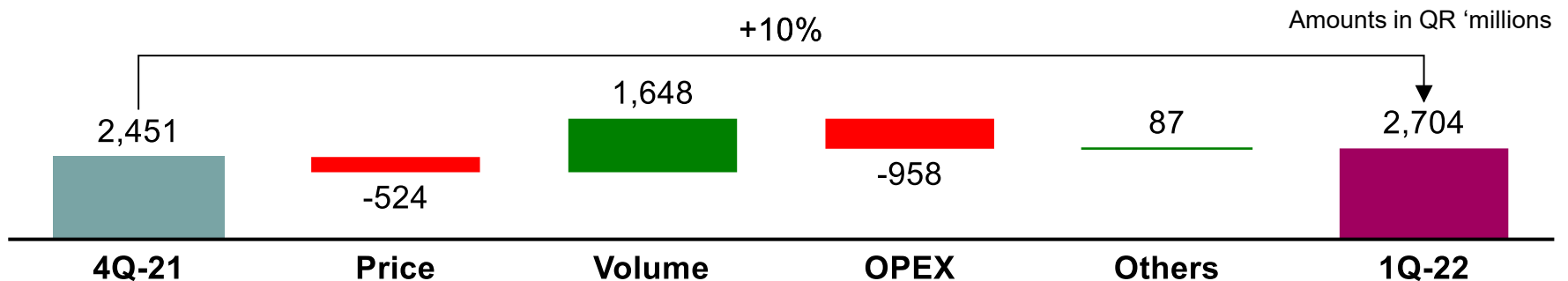
## 1Q'22 vs 1Q'21

1Q continue to benefit from higher product prices reflected in Group's bottom-line profitability



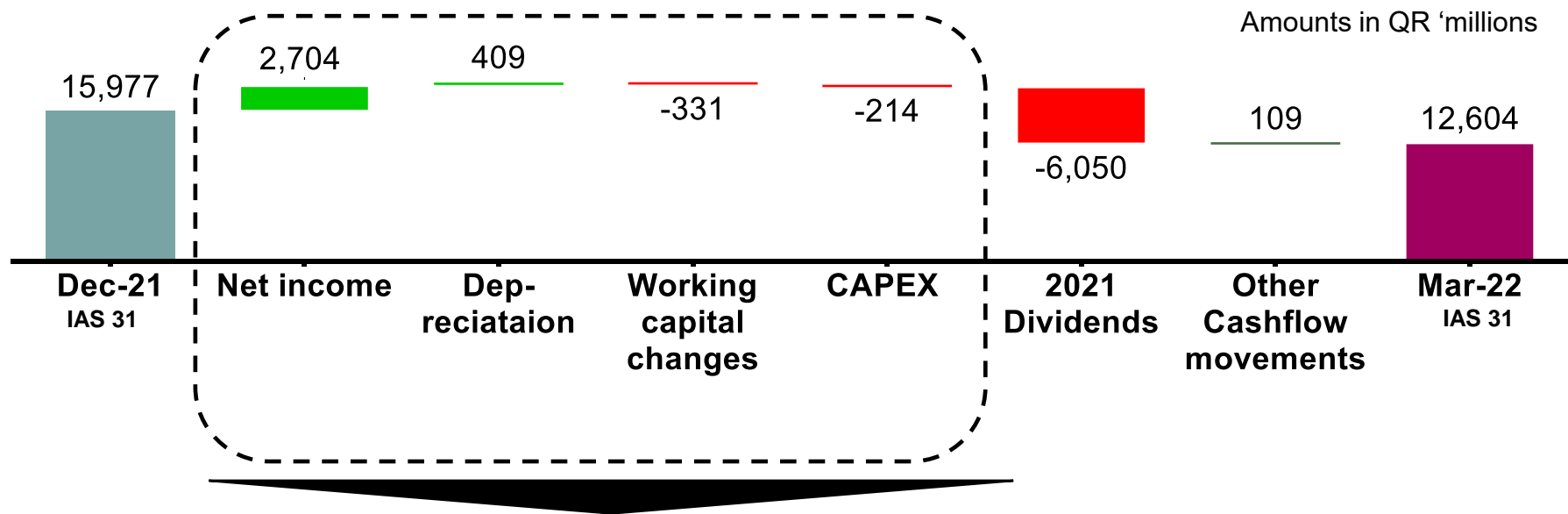
## 1Q'22 vs 4Q'21

Higher sales volumes reflected positively on Group's earnings, while prices across most of the product range slightly declined after peaking during last year



# IQ cash flow generation

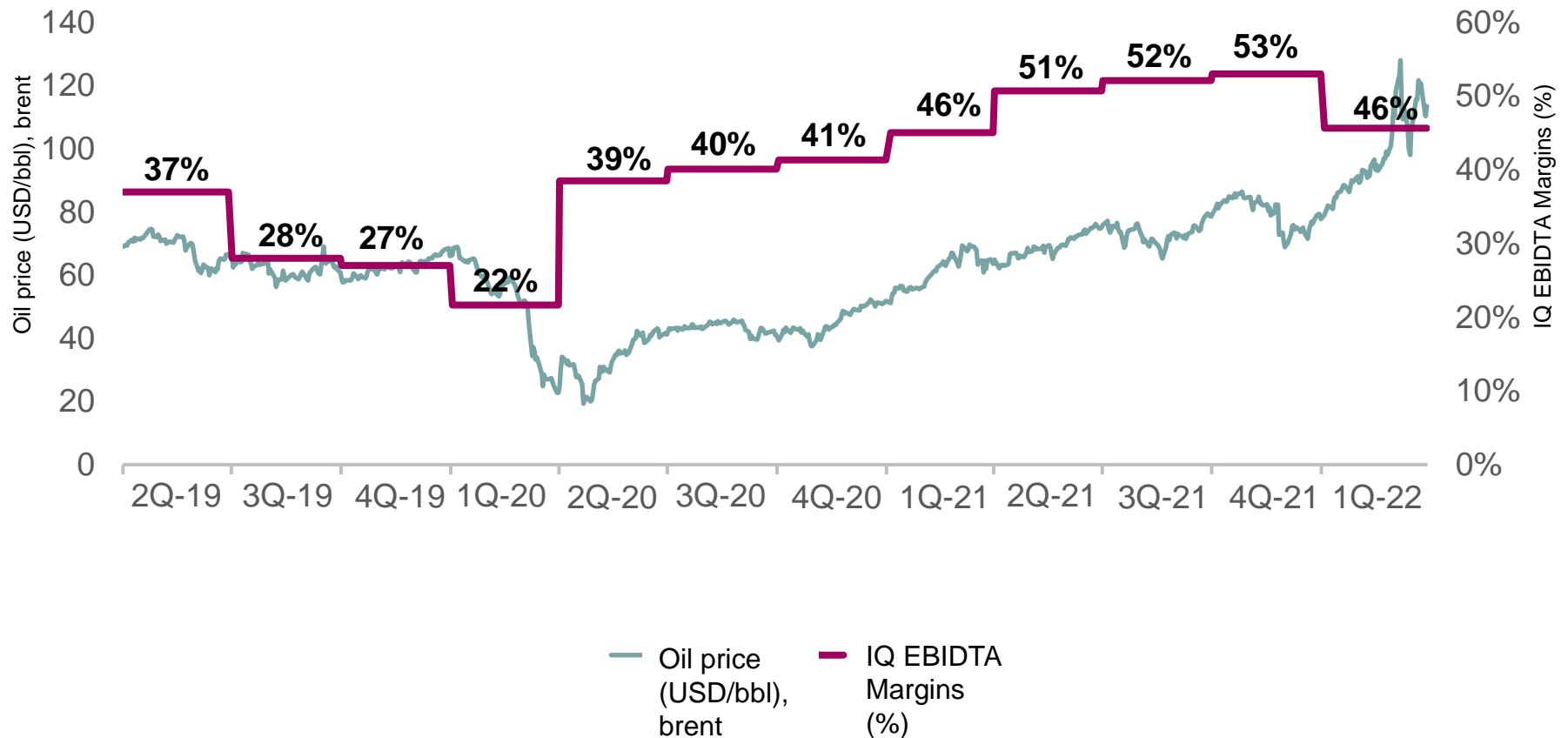
**IQ's free cash flow generation capability continue to remain robust**



**Free cash flows generated during three-month period ended 31 March 2022: QR 2.6 billion**

# Robust EBITDA margins

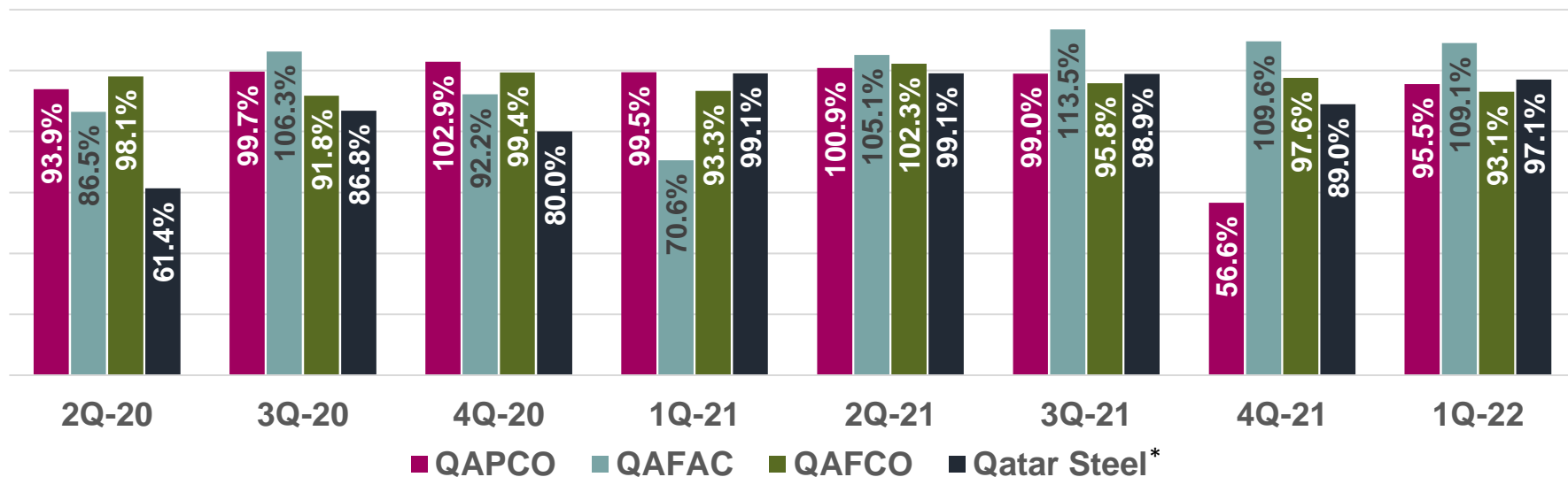
Despite the volatile trends in commodity prices, IQ's EBITDA margins continue to remain robust



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

# IQ's plant operating rates

## IQ's plant operating rates remained stable

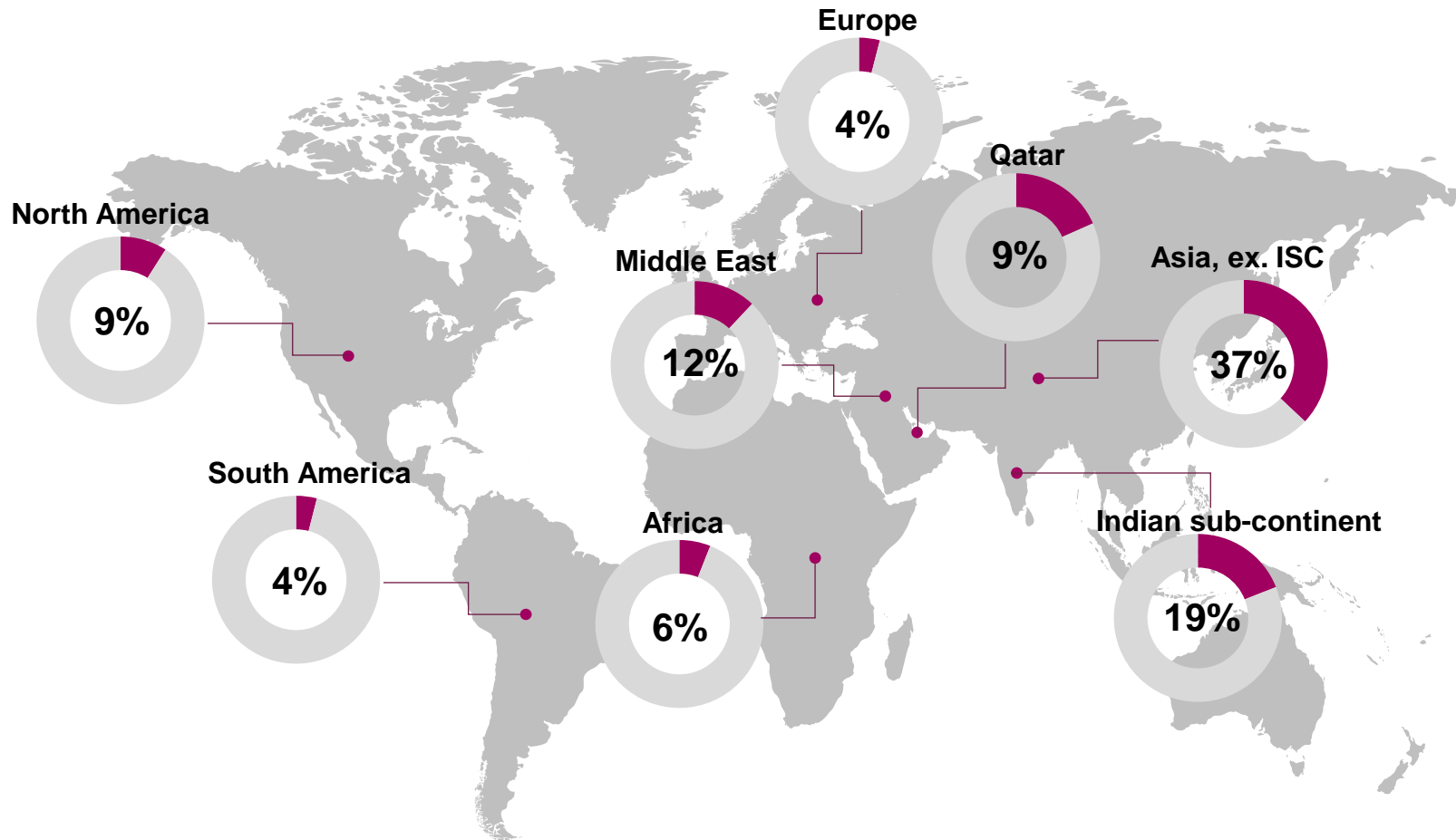


**Note:** With effect from 01 April 2020, management decided to mothball certain facilities of Qatar Steel, hence, the nameplate capacity was accordingly adjusted to reflect the new capacity levels post mothballing.

Also, from 1Q-22, Qatar Steel decides 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, while its presence in Americas and Middle East continued to be substantial



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# Segment results

## (For the three-month period ended 31 March 2022)

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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);

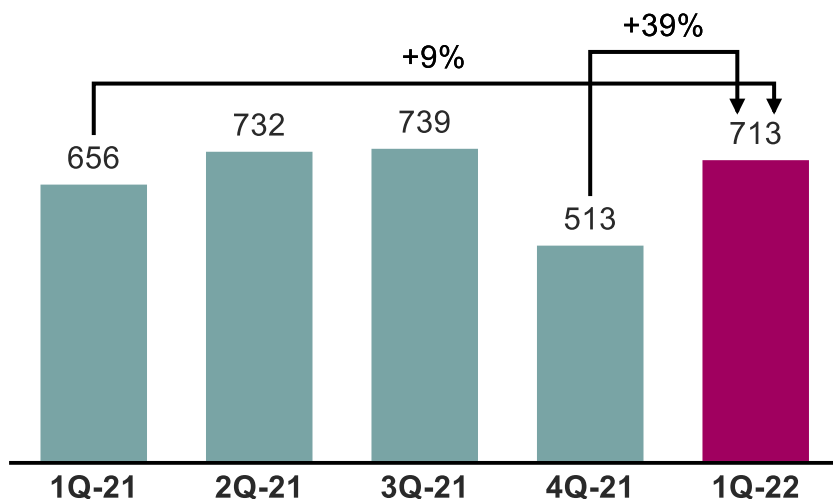


# 1Q-22 results: Petrochemicals

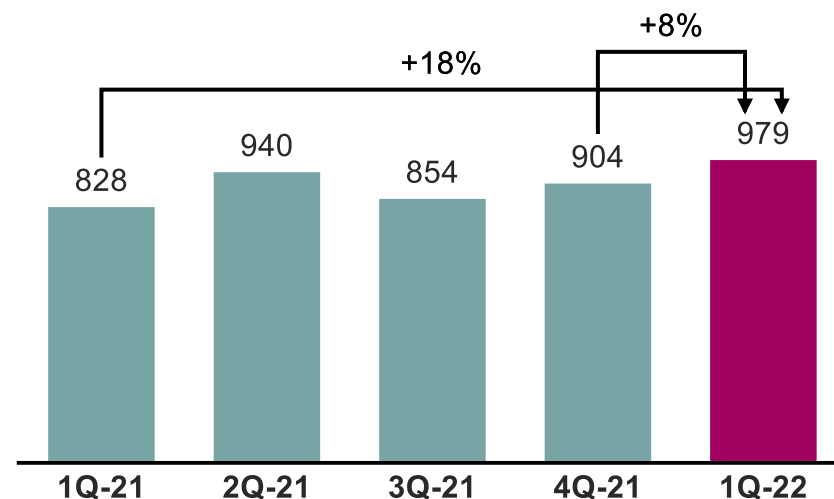
*Analysis of production & selling prices*

- Production:** Production volumes up by **9%** compared to 1Q-21, as MTBE facilities reported better plant utilization, while the same was on a commercial during 1Q-21. This was partially offset by slightly lower volumes from PE facilities;
  - 1Q-22 production volumes significantly increased by **39%** versus 4Q-21, as PE facilities reported better plant utilization, while the same was on a largescale turnaround during 4Q-21. Fuel additives volumes remained flat on a quarter-on-quarter basis.
- Selling Prices:** Up on 2021 by **18%**, against the backdrop of firm demand and higher energy prices, coupled with supply deficits.
  - 1Q-22 selling prices improved compared to 4Q-21, mainly due to higher MTBE prices, while PE prices were muted during 1Q-22 versus 4Q-21.

## Production (MT' 000)



## Selling prices (\$/MT)



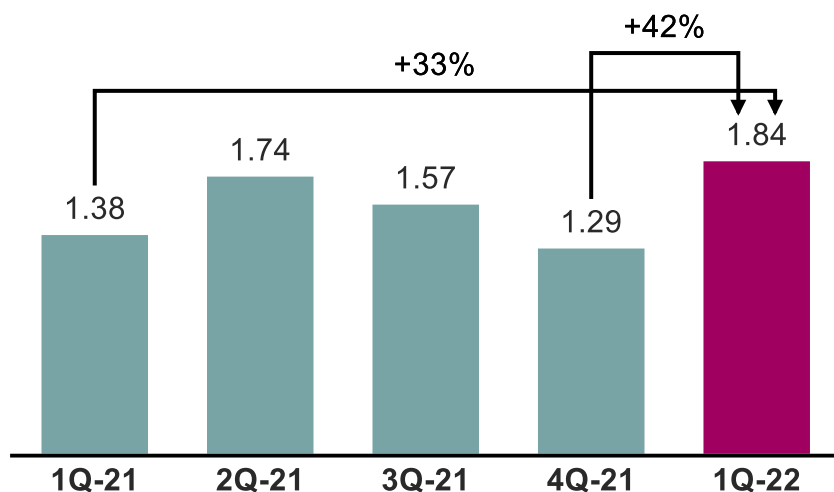


# 1Q-22 results: Petrochemicals

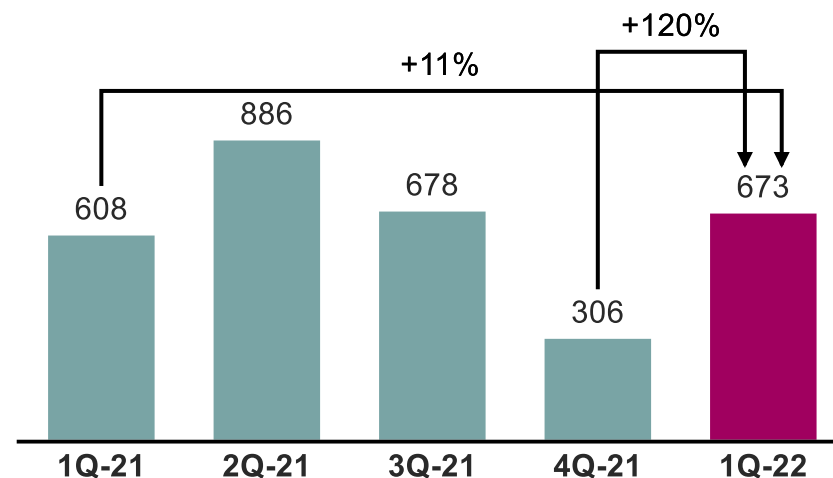
*Analysis of segment revenue & net profit*

- Revenue:** QR **1.9 billion**, up by **33%** compared to 1Q-21. This increase in revenue was mainly linked to higher product prices (+18%), and better sales volumes (+13%). Growth in sales volumes was linked to higher production volumes;
  - Revenue for the current quarter was up by **42%** versus 4Q-21. This increase was primarily driven by improved sales volumes (+31%), as the Group's polyethylene segment was on a major planned shutdown during 4Q-21, which significantly lowered segment's sales volumes for 4Q-21.
- Net profit:** QR **673 million**, up by **11%** compared to 1Q-21. Improvement was mainly due to the overall growth in segmental revenue.
  - 1Q-22 net profit increased by **120%** compared to 4Q-21 mainly due to higher revenues versus last quarter.

## Revenue (QR' billion)



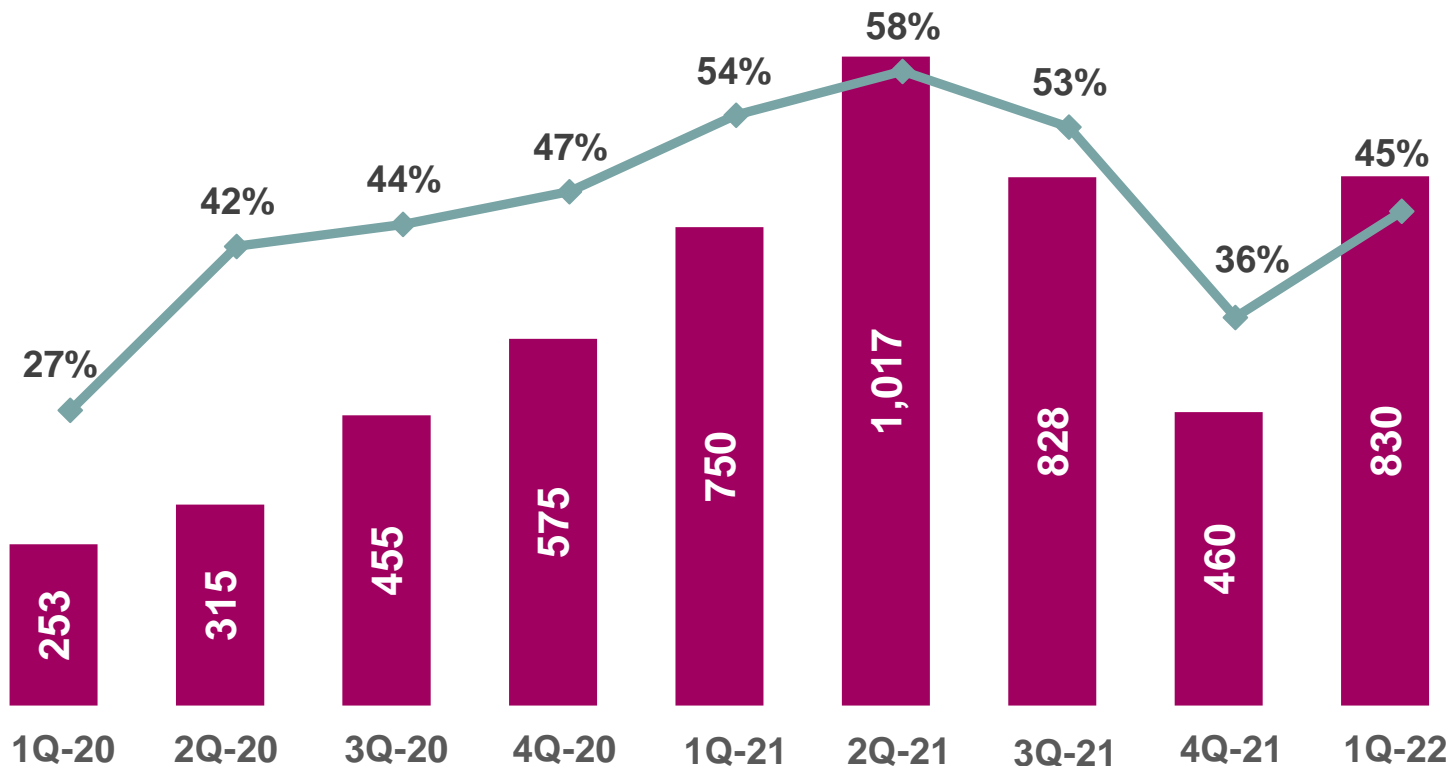
## Net profit (QR' million)



# 1Q-22 results: Petrochemicals

Analysis of segment  
EBITDA margins

## Segment's EBITDA margins continue to remain strong

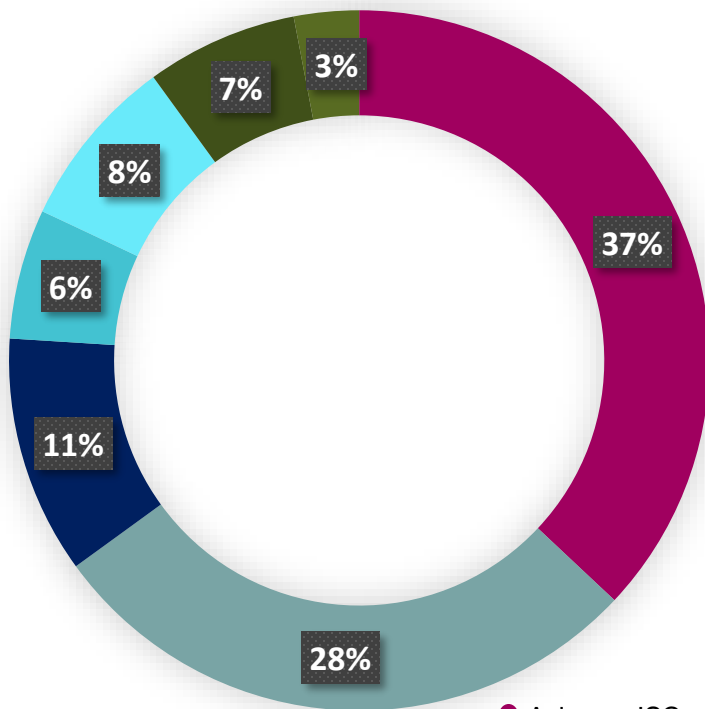


# 1Q-22 results: Petrochemicals

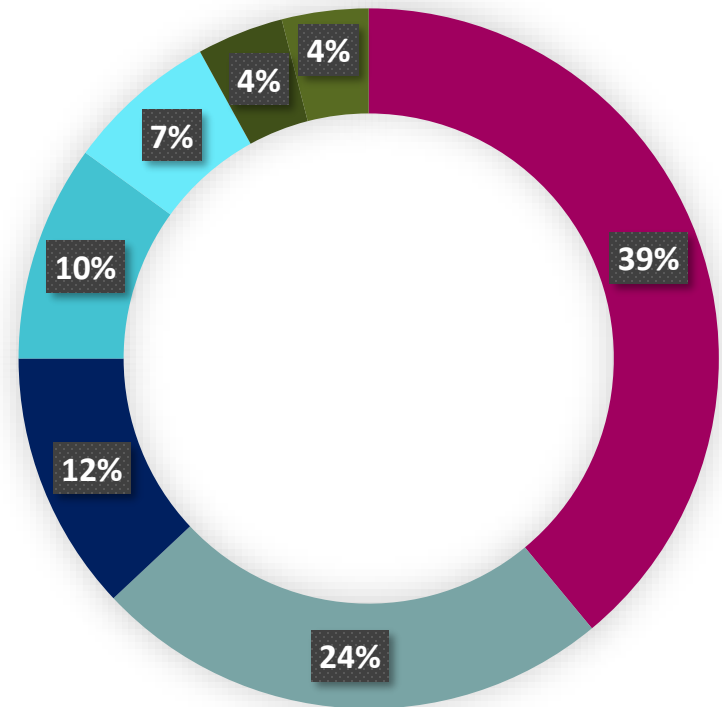
*Geographical analysis of segment revenue*

- 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

1Q-22 Segment Revenue (%)



1Q-21 Segment Revenue (%)



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

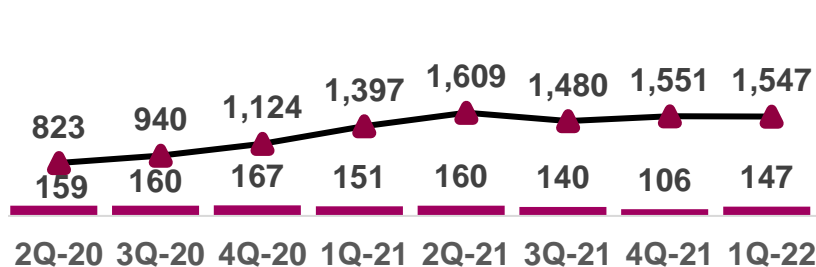


# 1Q-22 results: Petrochemicals

Key segment products analysis

## LDPE

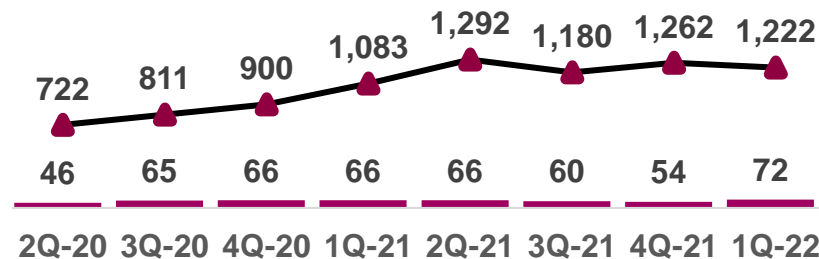
(contributed ~44% of the segment revenue in 1Q-22)



Sales volumes improved during 1Q-22 as the plants came back from largescale turnaround carried out during 4Q-21. Selling prices slightly inched downward, on the back of cautious demand.

## LLDPE

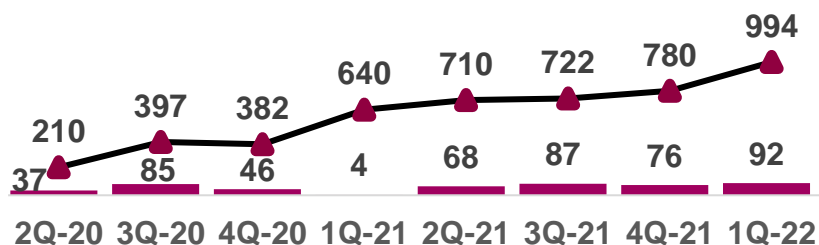
(contributed ~17% of the segment revenue in 1Q-22)



Sales volumes improved during 1Q-22, with better plant operating rates as the plants were on a largescale shutdown during 4Q-21. Selling price trajectory slightly moved downward during 1Q-22, with slow demand and seasonal effects.

## MTBE

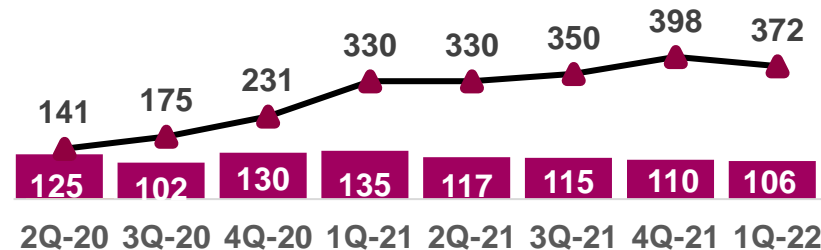
(contributed ~17% of the segment revenue in 1Q-22)



Sales volumes slightly improved during 1Q-22. Selling prices continued its elevated trajectories on account of contractive macro drivers.

## Methanol

(contributed ~8% of the segment revenue in 1Q-22)



Sales volumes slightly declined during 1Q-22 versus 4Q-21. Selling prices also declined on account of slightly slower demand, after peaking in 4Q-21.



# 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).

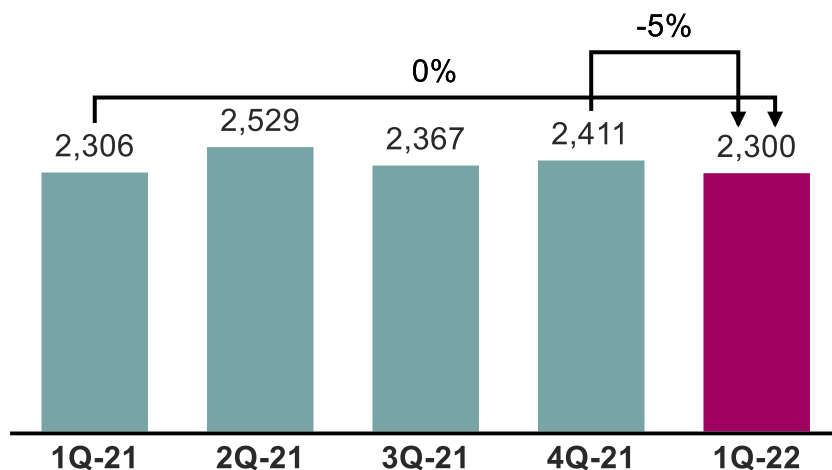


# 1Q-22 results: Fertilizers

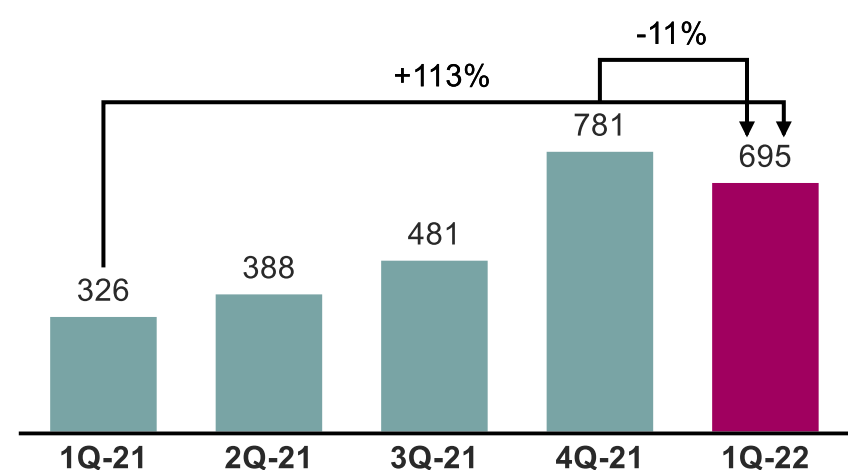
*Analysis of production & selling prices*

- Production:** 1Q-22 production volumes remained flat versus same period of last year;
  - 1Q-22 production declined by **5%** compared to 4Q-21, due to lesser no. of operating days during 1Q-22 versus 4Q-21, amid planned maintenance shutdowns.
- Selling Prices:** Prices significantly up by **113%** compared to 1Q-21, as a result of persistent restricted supply from key exporting economies, together with inflationary pressures amid higher crop and energy prices.
  - Prices decreased by **11%** during 1Q-22 compared to 4Q-21, mainly due to lowered demand, amid cautious approach from buyers, during first two months of 1Q-22. However, prices of fertilizers again started to climb from the latter part of the reporting period, owing to higher energy prices and Russian sanctions posing uncertainty of supply interruptions.

## Production (MT' 000)



## Selling prices (\$/MT)

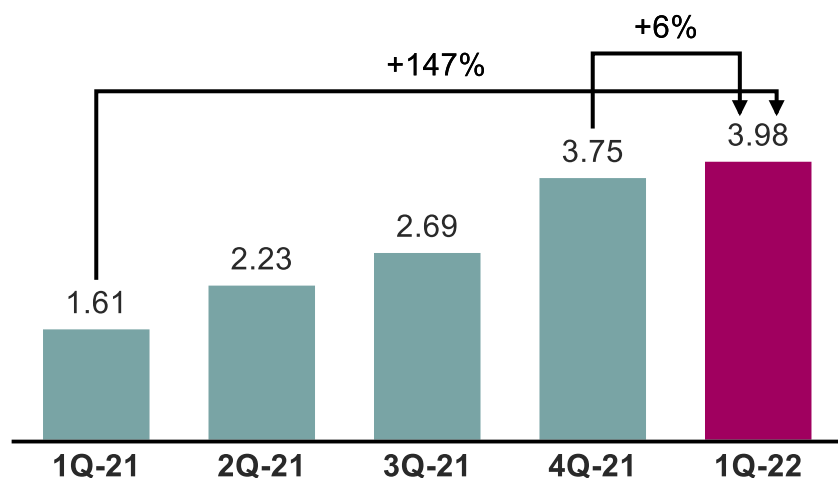


# 1Q-22 results: Fertilizers

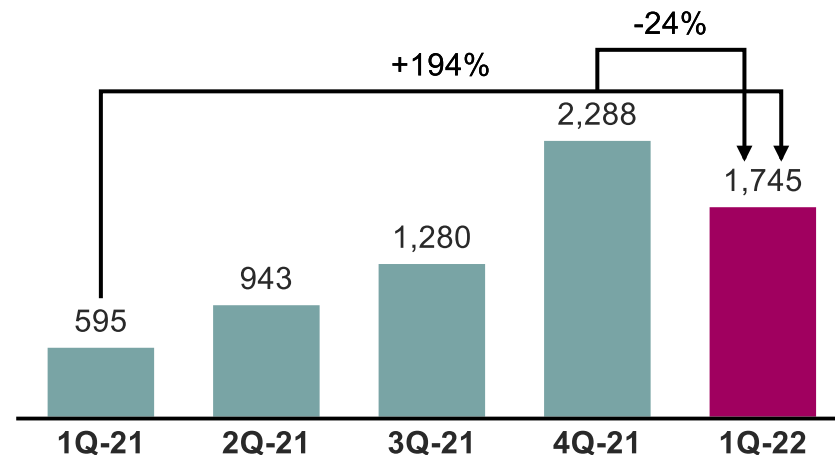
Analysis of segment revenue & net profit

- Revenue:** QR 3.98 billion, up by 147% compared to 1Q-21, mainly due to positive growth in product prices (+113%) and sales volumes (+16%);
  - Revenue increased by 6% during 1Q-22 compared to the 4Q-21, mainly on account of higher sales volumes (+19%) linked to timing of shipments carried forward from 4Q-21. This was partially offset by lowered selling prices (-11%).
- Net profit:** QR 1.7 billion, up by 194% compared to 1Q-21, due to overall increase in segmental revenues;
  - Net profit declined by 24% during 1Q-22 compared to 4Q-21, due to higher variable cost on account of increased sales volumes, sales of expensive inventories carried forward from previous period and end-product price indexed raw material cost. This was partially offset by higher revenues.

## Revenue (QR' billion)



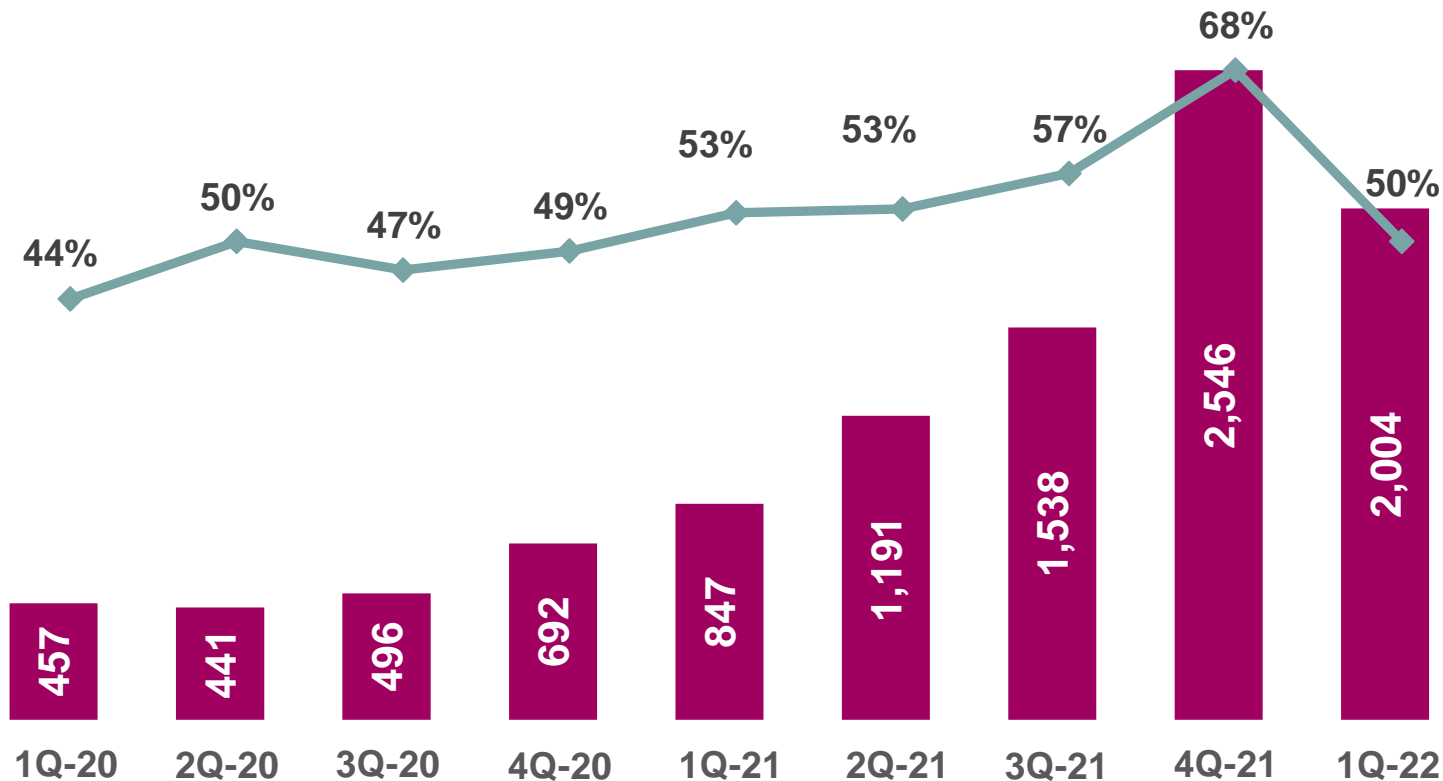
## Net profit (QR' million)



# 1Q-22 results: Fertilizers

Analysis of segment EBITDA margins

Segment's EBITDA margins continued to remain robust



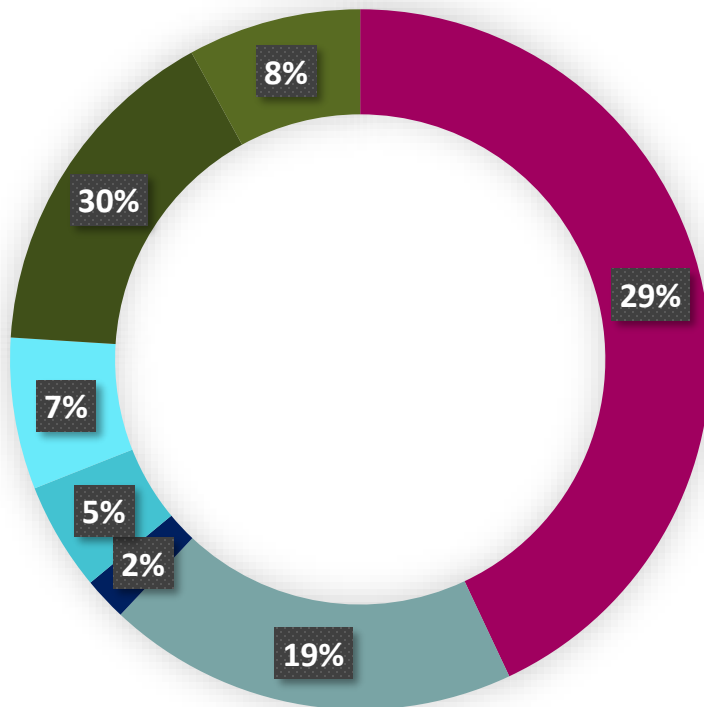


# 1Q-22 results: Fertilizers

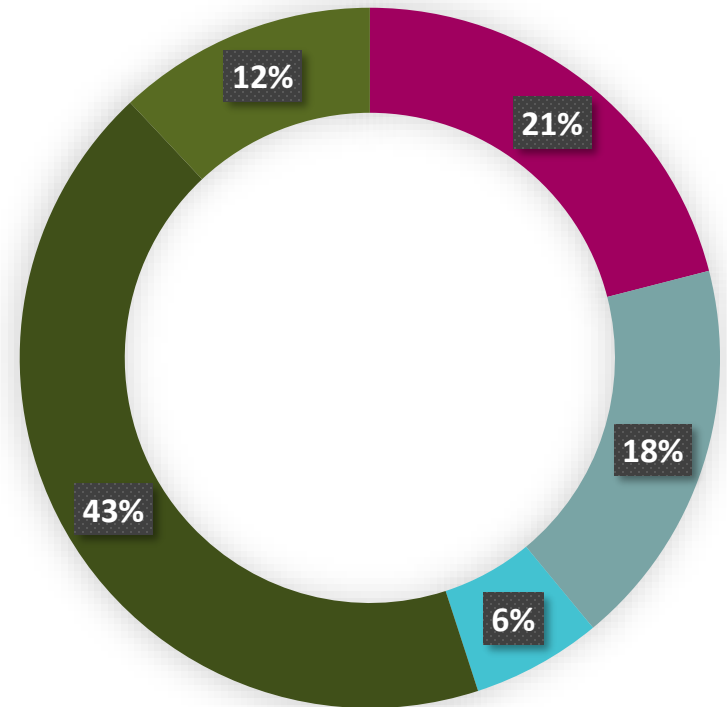
*Geographical analysis of segment revenue*

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

1Q-22 Segment Revenue (%)



1Q-21 Segment Revenue (%)



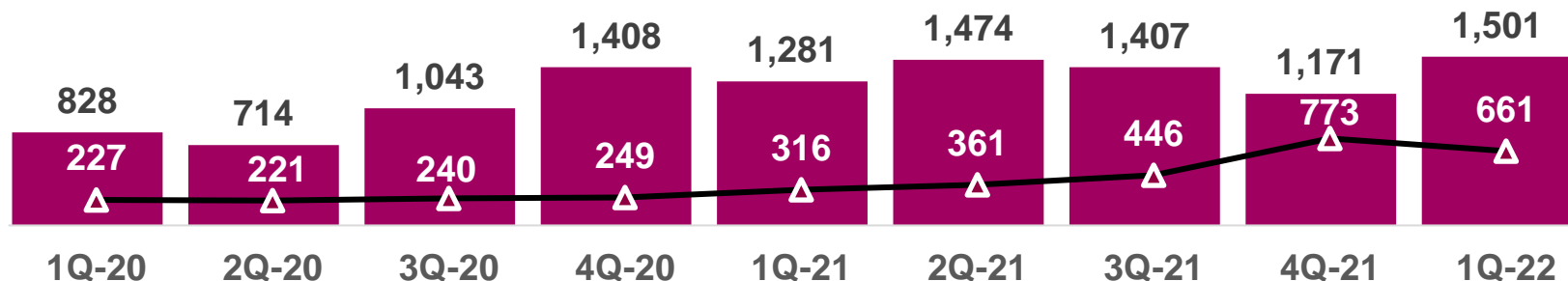
- Asia, ex. ISC
- Indian sub-continent
- South America
- Africa
- Middle East
- Europe
- North America

# 1Q-22 results: Fertilizers

Key segment products analysis

## Urea

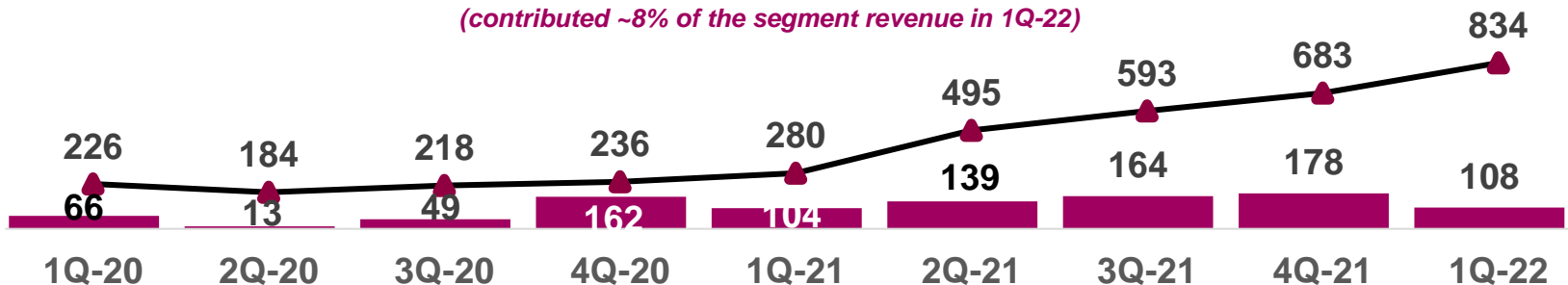
(contributed ~88% of the segment revenue in 1Q-22)



Sales volumes increased during 1Q-22 mainly linked to timing of shipments carried forward from 4Q-21. Product prices declined during 1Q-22 versus Q4-21, mainly due to lowered demand, amid cautious approach from buyers, during first two months of 1Q-22. However, prices of urea again started to climb from the latter part of the reporting period, owing to higher energy prices and Russian sanctions, posing uncertainty of supply interruptions.

## Ammonia

(contributed ~8% of the segment revenue in 1Q-22)



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 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).

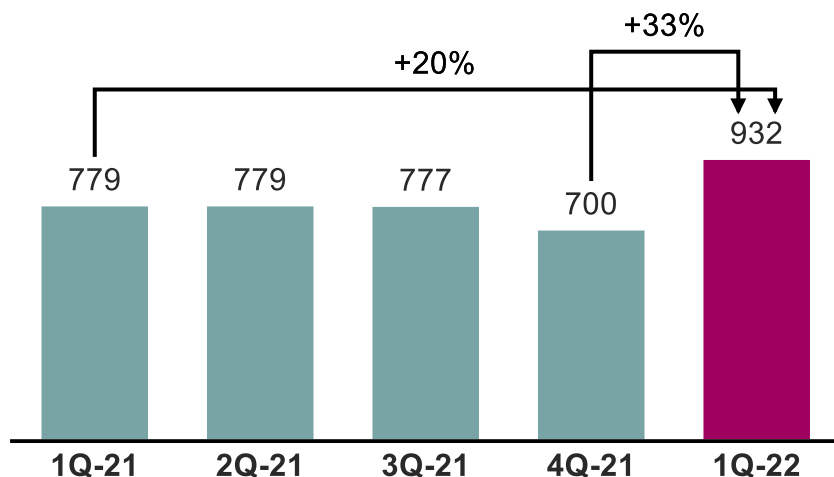


# 1Q-22 results: Steel

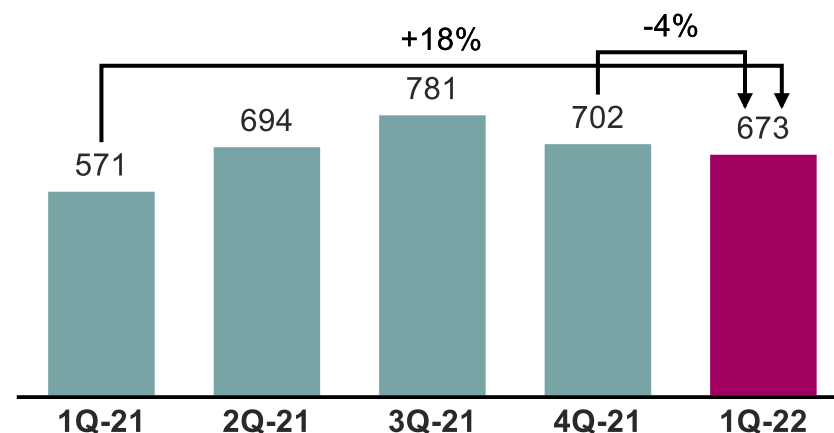
*Analysis of production & selling prices*

- Production:** Production increased by **20%** compared to 1Q-21, 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;
  - Production volumes increased by **33%** during 1Q-22 in comparison to 4Q-21, as Qatar Steel decides to switch mothballing of DR facilities by restarting a DR facility with larger capacity.
- Selling Prices:** improved by **18%** versus 1Q-21, amid increase in demand underpinned by elevated construction activity carried forward from latter part of 2020, coupled with higher raw material costs internationally.;
  - Prices declined during 1Q-22 by **4%** compared to the 4Q-21, on the back on lower steel prices internationally.

## Production (MT' 000)



## Selling prices (\$/MT)

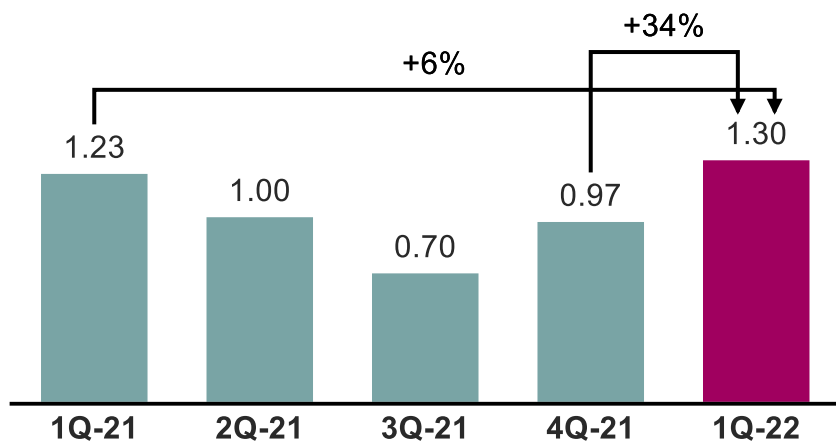


# 1Q-22 results: Steel

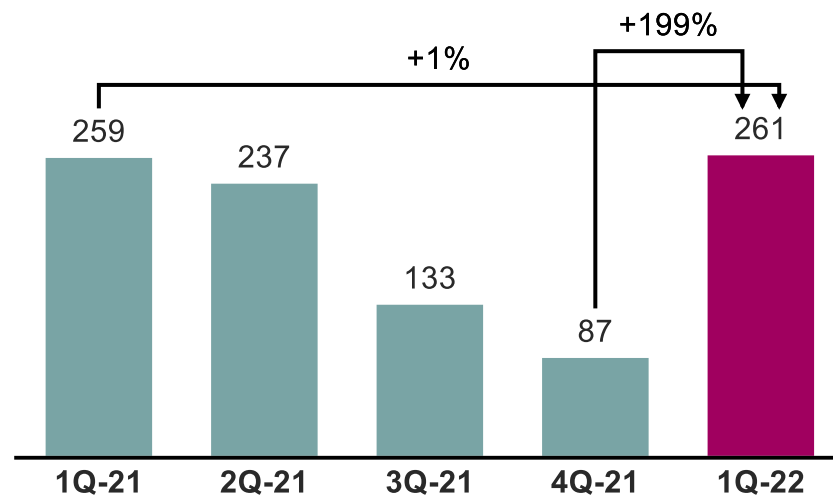
*Analysis of segment revenue & net profit*

- Revenue:** QR 1.30 billion, up by 6% on 1Q-21 amid increase in selling prices (+18%), offset by decline in sales volumes (-10%). Decline in sales volumes was mainly linked lower billet sales made during 1Q-22;
  - Revenue increased by 34% during 1Q-22 compared to 4Q-21 due to higher sales volumes (+39%) amid additional DR sales. This was partially offset by lowered selling prices (-4%).
- Net Profit:** Net profit of QR 261 million for 1Q-22 with 1% growth compared 1Q-21, primarily due to growth in revenues, offset by higher operating cost.
  - Profitability improved by 199% during 1Q-22 compared to 4Q-21, due to higher revenues and higher contributions from Foulath Holdings in form of share of results which grew by 130% versus 4Q-21.

## Revenue (QR' billion)



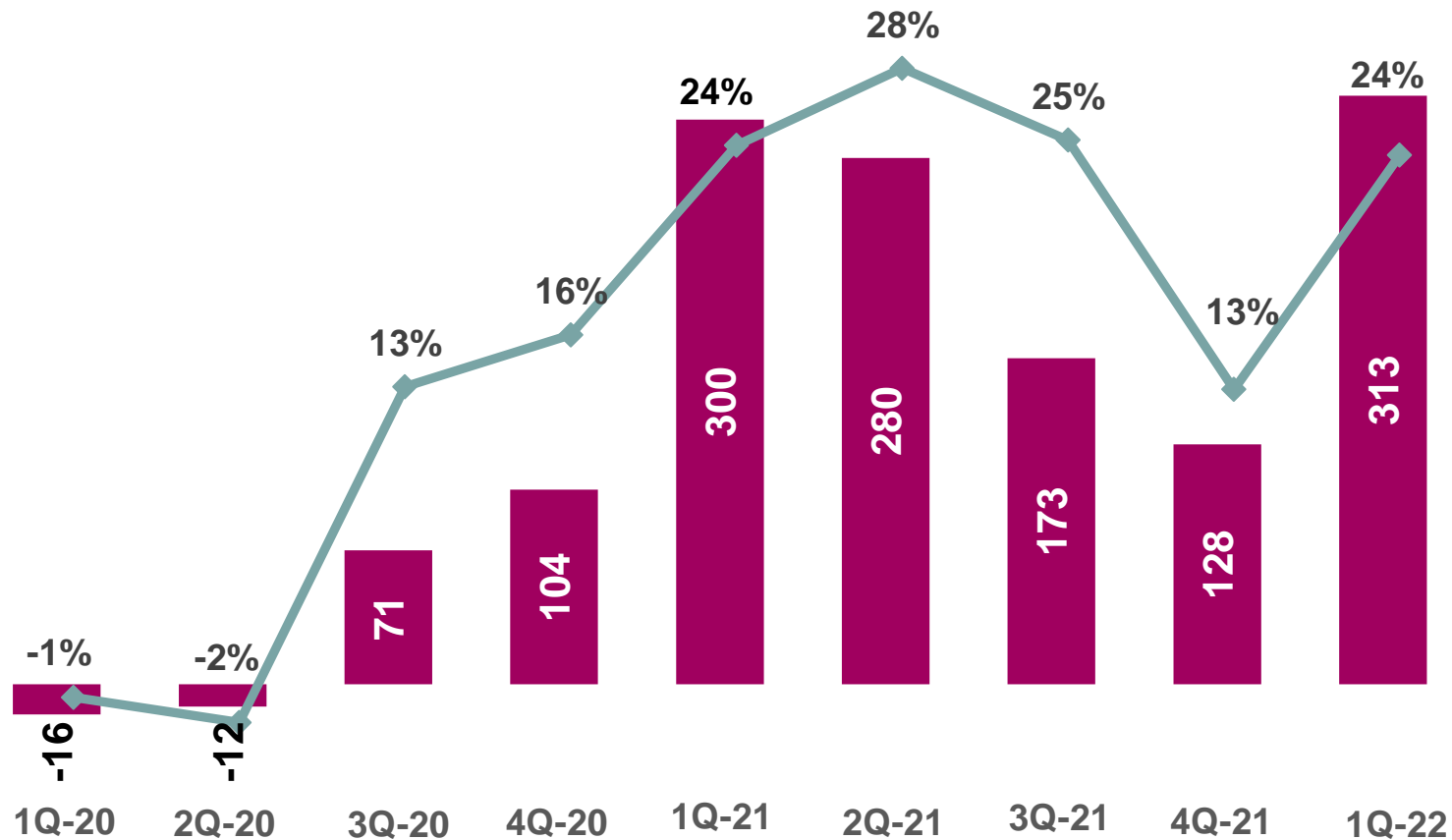
## Net profit (QR' million)



# 1Q-22 results: Steel

Analysis of segment EBITDA margins

EBITDA margins recovered following segment's mothballing decision

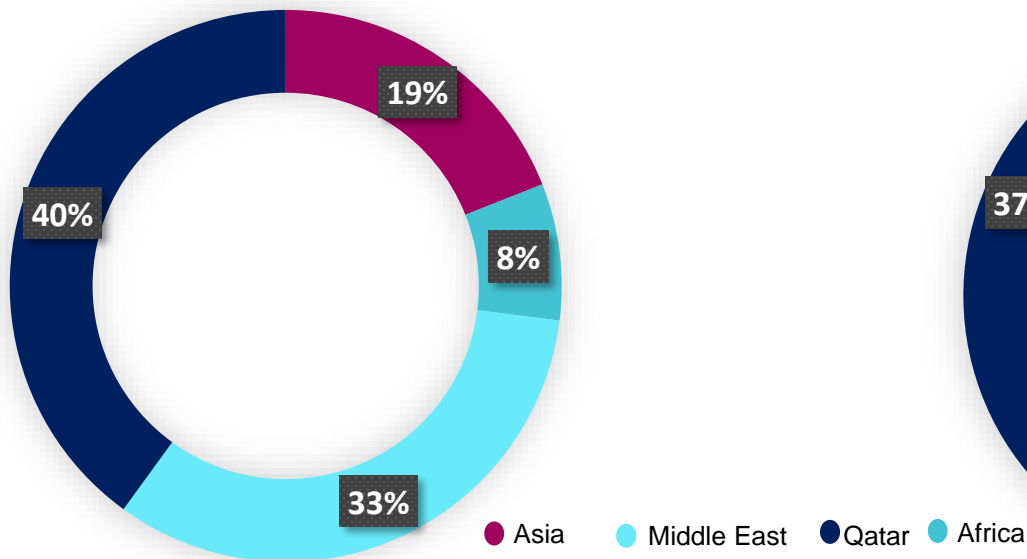


# 1Q-22 results: Steel

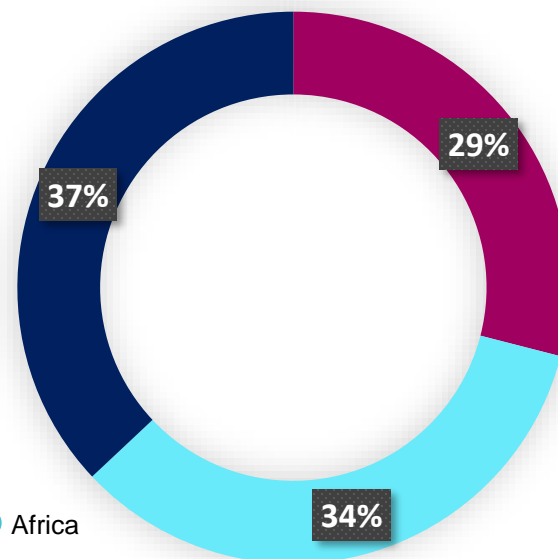
*Geographical analysis of segment revenue*

- 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.

1Q-22 Segment Revenue (%)



1Q-21 Segment Revenue (%)

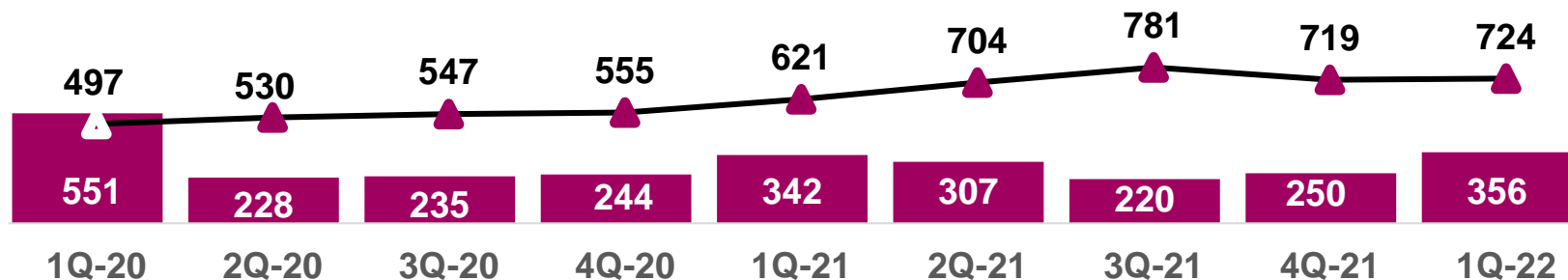


# 1Q-22 results: Steel

Key segment products analysis

## Rebars

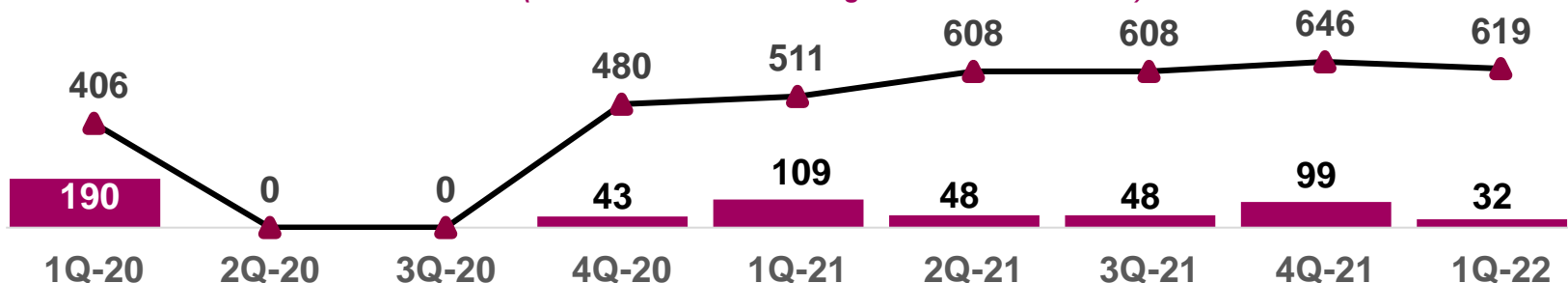
(contributed ~72% of the segment revenue in 1Q-22)



Selling prices remained stable during 1Q-22, after slightly declining during 4Q-21. Sales volumes improved, on account of better plant operating rates.

## Billets

(contributed ~5% of the segment revenue in 1Q-22)



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.



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# CAPEX & Cash flows (2022F – 2026F)

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# 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.
- The above forecasts do not include CAPEX relating to the new PVC plant recently announced by QVC.

## 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.

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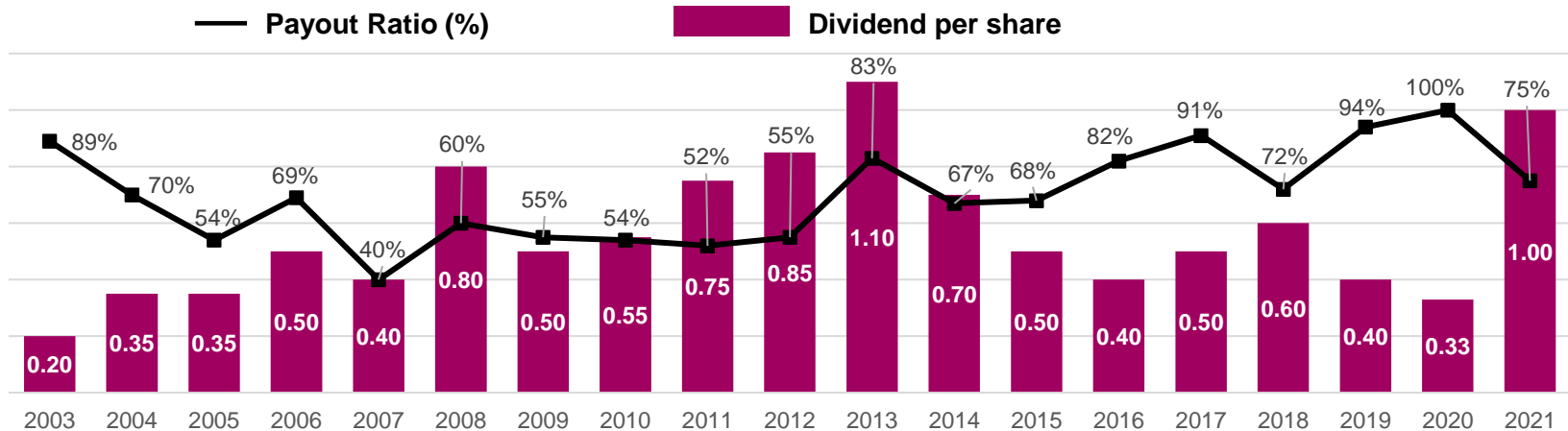
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# Dividends and market capitalization

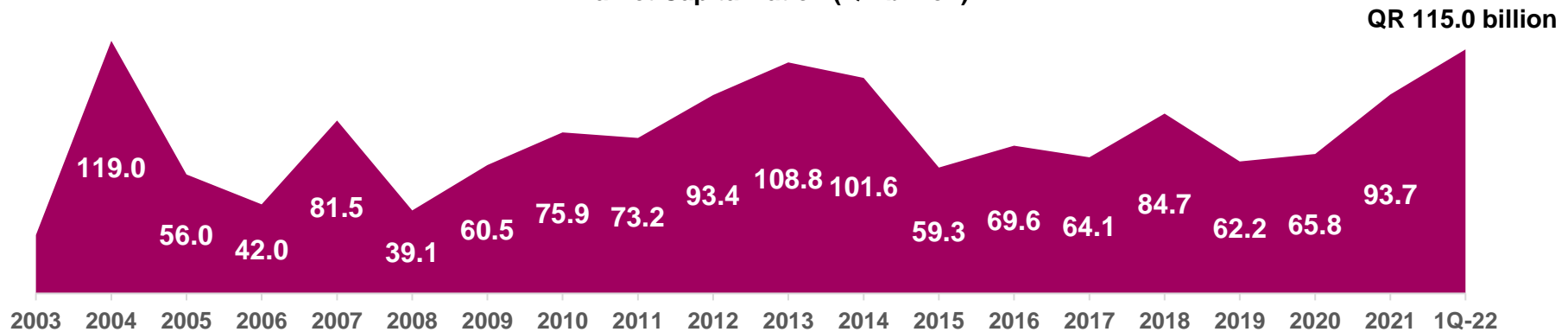
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# Dividends & Market Capitalization



Market Capitalization (QR billion)



- To date, cash dividends totaling QR 61.4 billion have been distributed, equivalent to QR 10.8 per share;
- The Company was included on the MSCI Qatar Index in May 2014.



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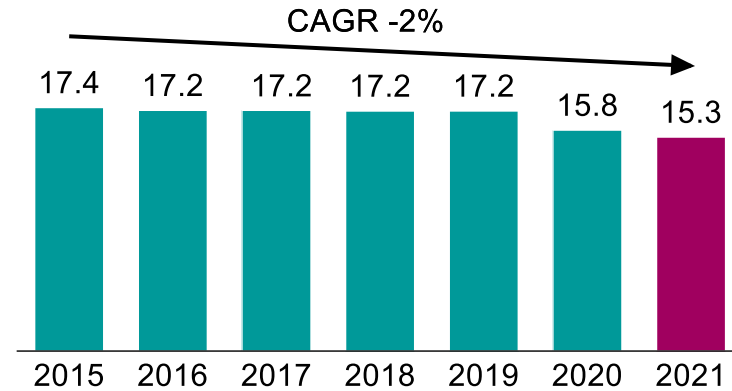
# Historical performance (2015 - 2021)

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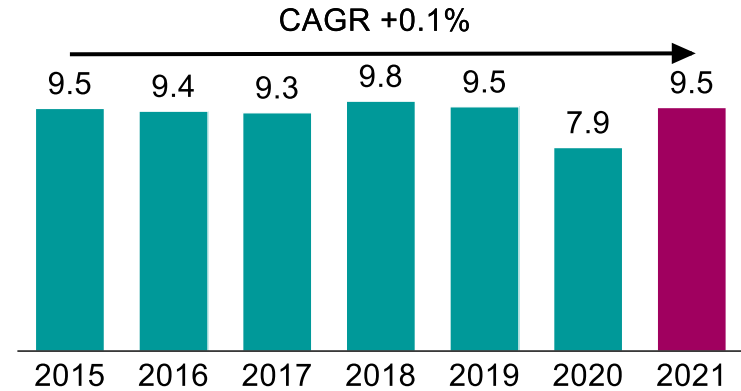
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# Historical performance (2015 - 2021)

**Production (M MT's)**

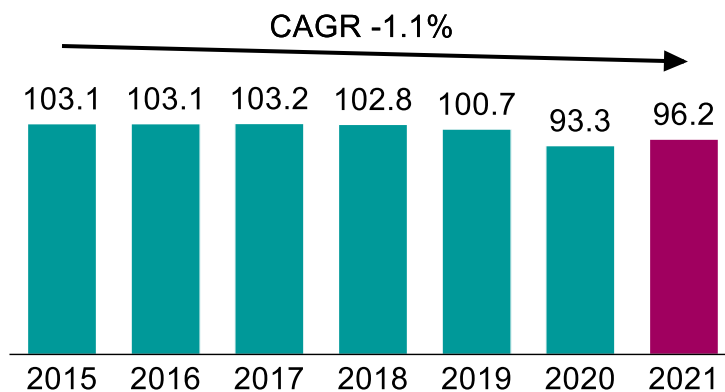


**Sales Volumes (M MT's)**

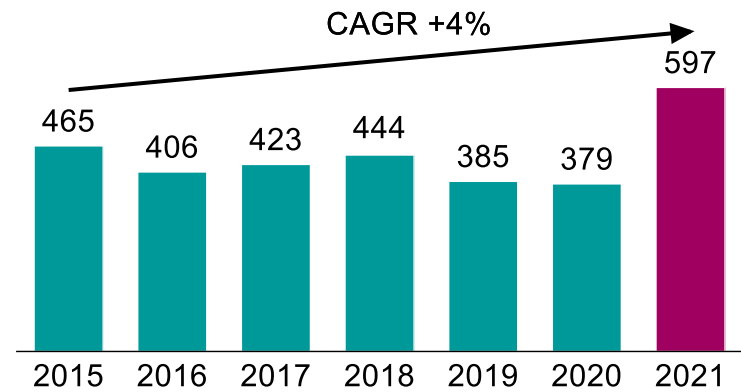


Volumes remained steady since 2015 till 2019 and declined in 2020. The decline in production in 2020 was mainly owed to mothballing decision of certain steel facilities, while sales volumes were also affected due to Qafco's temporary gas processing arrangement ▪ Selling prices were influenced by macroeconomic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

**Utilization (%)**

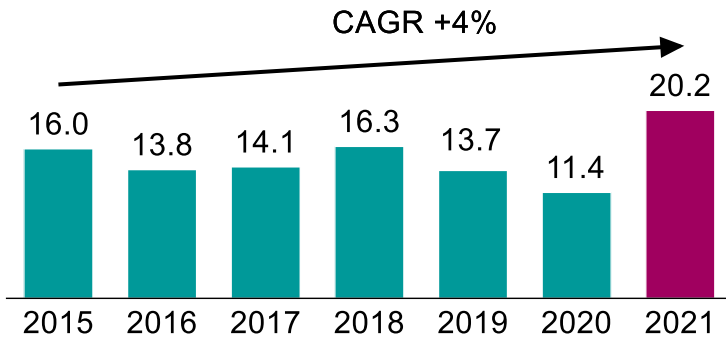


**Selling Prices (USD / MT)**

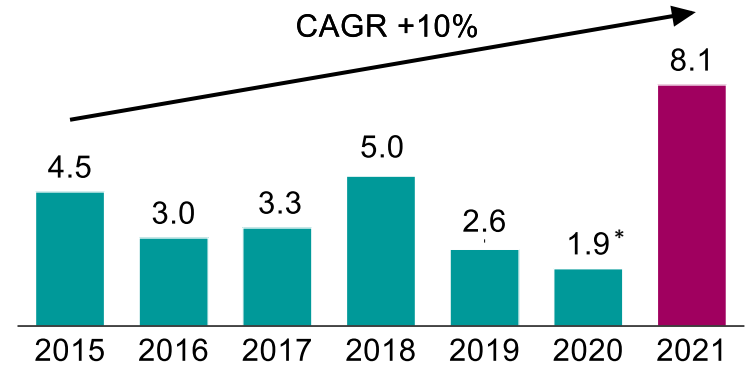


# Historical performance (2015 - 2021)

## Revenue (QR Bn)

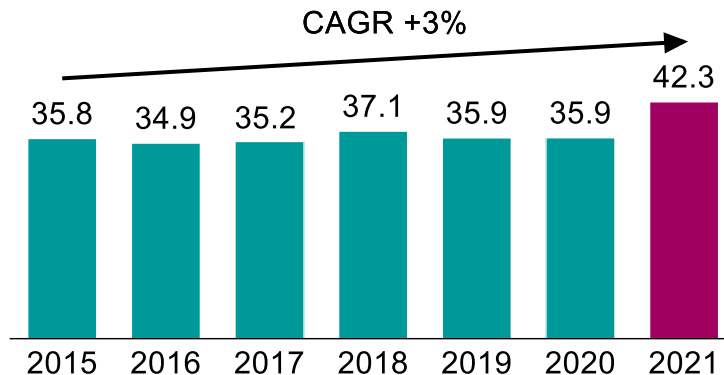


## Net income (QR Bn)

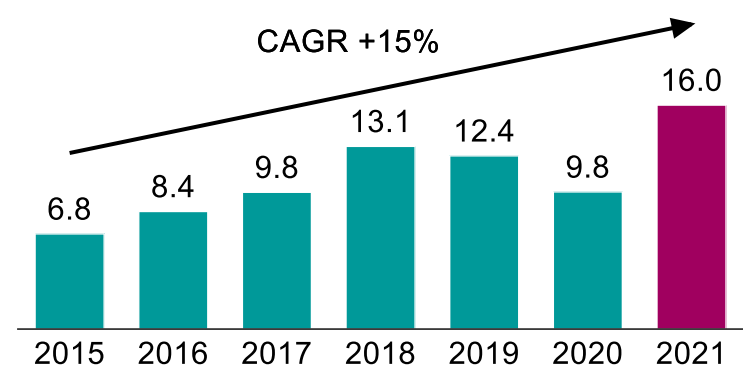


Revenue trends moved in line with the selling prices ▪ Movements in revenue together with operating costs affected the net income growth ▪ Cash flow generation for the Group remained robust, despite cyclical profitability.

## Total Assets (QR Bn)



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



47 Note: CAGR refers to Compounded Annual Growth Rate  
\* Normalized profits



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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 very limited international component.



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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.