صناعات قطر
Industries Qatar

FOR IMMEDIATE RELEASE

Industries Qatar posts a net profit of QR 2.0 billion for the six-month period ended 30 June 2025

- The Board of Directors has approved the distribution of an interim cash dividend of QAR 0.26 per share, representing a payout ratio equivalent to 80% of net income of the period.
- Earnings per share (EPS) of QR 0.32 for 1H-25 compared to QR 0.44 for 1H-24.
- 1H-25 results impacted due to lower operating margins and lower other income.
- Group operations continued to remain robust amid maintenance shutdowns within operating facilities with an average reliability factor of around 98%.
- Group's liquidity continues to remain robust with a total cash and bank balances of QR 9.9 billion, after paying H2-2024 dividend of QR 2.6 billion.
- Rating agency S&P reaffirmed IQ's issuer credit rating at AA- with a stable outlook confirming IQ Group's strong business and financial position.

Doha, Qatar; 7 August 2025: Industries Qatar ("IQ" or "the Group"; QE Ticker: IQCD), today reported a net profit of QR 2.0 billion for the six-month period ended 30 June 2025, representing a decline compared to 1H-24.

Updates on macroeconomic environment

During the first half of 2025, the global macroeconomic landscape remained subdued, reflecting continued volatility across both advanced and emerging economies. Growth momentum weakened amid persistent geopolitical tensions and sustained monetary tightening by major central banks. The aftermath of electoral transitions in several key economies added further uncertainty, dampening investor confidence and curbing private sector spending. Although global inflation showed signs of moderating relative to the previous year, elevated production costs driven by lingering supply chain disruptions continue to constrain economic activity in several regions, making near-term forecasting increasingly uncertain.

The petrochemical industry remained under pressure throughout 1H-2025, grappling with a multifaceted set of challenges. Demand for key petrochemical products, including ethylene and its derivatives, remained largely soft due to muted industrial activity and cautious consumer spending across major economies. At the same time, the industry witnessed significant capacity additions, contributing to lower global utilization rates and intensifying competitive pressures. This imbalance between supply and demand translated into margin compression, historically low operating rates, and in some cases, temporary shutdowns or delays in planned projects.

Petrochemical pricing dynamics were also affected by fluctuations in both feedstock and energy costs. Ethylene prices experienced notable volatility, driven by oversupply in key markets and weaker downstream demand. Crude oil price swings—prompted by a combination of OPEC+ production decisions, ongoing geopolitical risks, and fluctuations in global inventory levels—added another layer of cost-side uncertainty, particularly for naphtha-based petrochemical producers. Meanwhile, regulatory pressures continued to mount, particularly in relation to environmental and decarbonization targets. For operators of legacy assets, meeting emerging environmental standards has required substantial capital investment—an undertaking many have postponed due to narrowing profit margins and ongoing market uncertainty. Overall, the petrochemical sector is facing challenges stemming from overcapacity, geopolitical tensions and fluctuations in crude and ethylene prices, along with broader economic uncertainty—all of which are broadly affecting petrochemical prices.

The nitrogen fertilizer industry experienced relative stability in 1H-2025, following the sharp price hikes triggered by the 2022 energy crisis. Prices have since moderated and stabilized, supported by a more balanced global supply-demand dynamics. Regional production curtailments and export restrictions from major producing economies helped tighten market conditions, allowing prices to hold firm despite subdued agricultural demand. Input costs remained relatively stable, driven by improved energy availability in key markets, which supported stable and more predictable production costs for ammonia-based fertilizers. However, farmer affordability continued to pose challenges in several regions, influenced by weaker crop prices and reduced purchasing power. Adding to the stability, confirmed orders from key fertilizer-consuming economies provided further support to market confidence and pricing resilience.

Macro-economic conditions across the steel industry over the past twelve months continued to remain challenging due to saturated GDP growth, over capacity, relatively higher inflation, and interest rates, tighter monetary policies, and weaker manufacturing activities in the key markets. The global steel industry faced persistent overcapacity, particularly in larger geographies like China, which led to increased exports and downward pressure on steel prices. Weak demand, especially in the construction and real estate sector, exerted a lot of pressure on steel prices which led to capacity closures. In addition, construction activities and demand typically decline during summer periods notably in the GCC and Middle East region adding further downward pressure on demand and prices.

Operational performance updates

Key Performance Indicators	1H-25	1H-24	Var (%) [1H-25 v. 1H-24]	2Q-25	1Q-25	Var (%) [2Q-25 v. 1Q-25]
Production (MT' Million)	8,730	8,515	3%	4,298	4,432	-3%
Utilization Rates (%)	92%	98%	-	91%	93%	-
Average Reliability Factor (%)	98%	96%	-	97%	98%	-

Operational performance remained resilient across the Group's segments during the period, despite the impact of both planned and unplanned maintenance shutdowns. During the current quarter, planned maintenance activities were successfully completed at certain facilities within the fertilizer segment. In parallel, some facilities within the steel and polyethylene segments underwent unplanned shutdowns, undertaken as precautionary measures to ensure operational reliability and safeguard critical assets. The fuel additives segment resumed operations at full capacity during the current quarter, following an unplanned shutdown in the previous period. Despite the progressive ramp-up of steel production for previously mothballed facilities, utilization rates continue to demonstrate operational resilience.

Compared to the same period of the previous year, production volumes increased, as lower production from the fertilizer segment was fully offset by higher production from the steel segment. Production levels within the petrochemical segment remained broadly unchanged. On a quarter-on-quarter basis, production volumes declined marginally, reflecting the impact of both planned and unplanned shutdowns across all segments. This was partially offset by higher production in the fuel additives segment.

No major health, safety, or environmental (HSE) incidents were reported during the period, reflecting the Group's continued focus on safe, reliable, and efficient operations.

Financial performance updates – 1H-25 vs 1H-24

Key Performance Indicators	**1H-25**	**1H-24 (Re-stated)**	**Variance (%)**
Average Selling Price (USD / MT)	472	448	5%
Sales Volumes (MT'000)	5,180	5,188	0%
Revenue (QR' billion)	8.7	8.3	5%
EBITDA (QR' billion)	3.0	3.4	-10%
Net Profit (QR' billion)	2.0	2.7	-27%
Earnings per share (QR)	0.32	0.44	-27%
EBITDA (%)	35%	41%	-

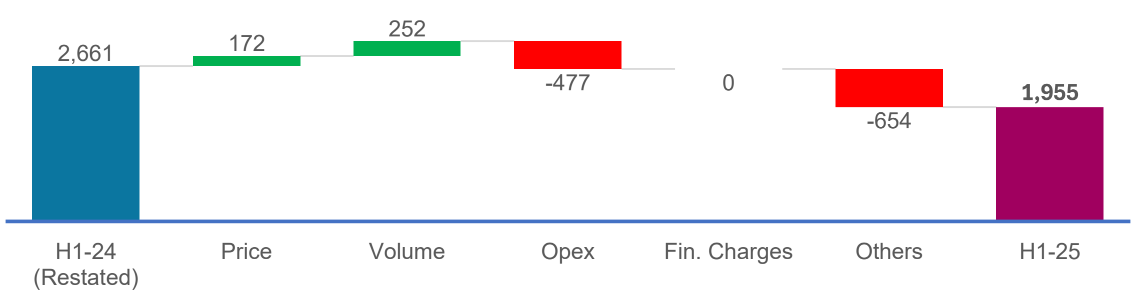
Revenue and EBITDA figures have been reported using non-IFRS proportionate consolidation methodology. Additionally, net profit for the year 2024 has been re-instated to reflect the fair value gain recognized from the change of control in QAFAC.

The group reported a consolidated net profit of QR 2.0 billion for the six-month period ended 30 June 2025, reflecting a decline versus 1H-24 restated net profit[1].

Upon excluding the one-off impacts related to reversal of provision for financial guarantee and gains on acquisition of a subsidiary which were recognized in 1H-24, the consolidated net profit for the six-month period ended 30 June 2025 represents a moderate decline against same period last year, reflecting the lower operating margins. While revenue for 1H-2025 showed a slight improvement versus the first half of the previous year.

Analysis of IQ's net earnings – 1H-24 vs 1H-25

Amounts in QR millions



The group's financial performance for the six-month period ended 30 June 2025 was primarily driven by the following key factors:

- <u>Average product prices</u>

  Blended average product prices of USD 472 / MT for 1H-25 marginally improved versus 1H-24 and contributed positively toward the group's net earnings. This improvement was primarily driven by improved nitrogen fertilizer prices which fully offset reduction in average realized prices in other

[1] 1H-2024 net profit has been restated to reflect the additional fair value gain on the revaluation of Purchase Price Allocation for control change of Qafac as of 9th June 2024.

segments. Fertilizer prices have stabilized in recent quarters, following the volatility seen throughout 2023. This trend was supported by renewed demand from key markets such as India, falling inventory levels, and supply-side constraints including export restrictions from major producers like China. Additional pressure came from production shortfalls due to facility shutdowns and cost escalation.

- Sales volumes

  Sales volumes for 1H-2025 remained relatively stable compared to the same period in 2024. This performance was achieved despite challenging market conditions, characterized by weaker demand across all operating segments, volatile macroeconomic factors, regional instability, and ongoing uncertainty around global trade. The Group's ability to maintain sales volumes was supported by improved production levels and more effective sales planning.

- Operating cost

  Operating costs for 1H-2025 have increased moderately compared to the same period in 2025. The rise was primarily driven by higher price-linked variable costs, elevated fixed operating costs associated with maintenance shutdowns, and the impact of general inflation.

- Other Non-Operating Income

  The Group's financial performance for the period was also impacted due to lower non-operating income as a result of a lower interest rate environment, and absence of one-off gain on reversal of provision for financial guarantee and gains recognized on acquisition of a subsidiary in 1H-2024.

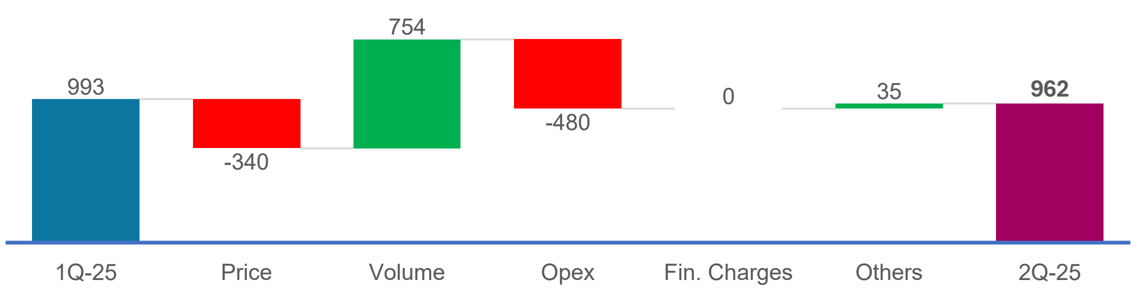
Financial performance updates – *1Q-25 vs 2Q-25*

Key Performance Indicators	2Q-25	1Q-25	Variance (%)
Average Selling Price (USD / MT)	457	491	-7%
Sales Volumes (MT'000)	2,802	2,378	18%
Revenue (QR' billion)	4.5	4.1	10%
EBITDA (QR' billion)	1.5	1.5	0%
Net Profit (QR' billion)	1.0	1.0	-3%
Earnings per share (QR)	0.16	0.16	-3%
EBITDA (%)	34%	37%	-

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

Analysis of IQ's net earnings - 1Q-25 vs 2Q-25

(Amounts in QR millions)



During 2Q-25, the Group's net earnings marginally declined compared to 1Q-25. This decline was primarily driven by a sequential decline in average product prices and an increase in operating costs. Average selling prices were marginally down due to prevailing macroeconomic conditions underpinned by regional uncertainty, supply-demand imbalance, and weather conditions demand effects. Operating costs have escalated in line with increased sales volumes. The reduction in net income was almost offset by enhanced sales volumes mainly within the fertilizer and steel segments. Improvement in fertilizer volumes were attributable to stable fertilizer fundamentals while uplift in the steel volumes was primarily driven by improved sales volumes of the segment's intermediate products in the regional markets.

Revenue for 2Q-25 improved moderately versus 1Q-25 primarily due to improved revenues within fertilizer and steel segments. Fertilizer revenue improved due to a marginal improvement in volumes while steel revenue grew notably due to significant volume growth.

Production during the current quarter was marginally down due to lower operating days within the group's larger producing facilities due to planned and unplanned shutdowns. These planned shutdowns are an essential part of the group's operations in order ensure efficient and cost-effective operations, maximize HSE performance, and maintain optimum plant reliability and availability.

Financial position:

Key Financial Position Indicators	As at 30/6/2025	As at 31/12/2024	Variance (%)
Cash & Bank Balance (QR Billion)	9.9	11.4	-13%
Total Assets (QR Billion)	41.4	42.6	-3%
Group Equity (QR Billion)	37.3	37.9	-2%
Equity as % of Asset	90%	89%	-

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

The Group's financial position continues to remain robust, with the group's proportionately consolidated cash and bank balances standing at QR 9.9 billion as of 30 June 2025, after accounting for a dividend payout relating to H2-2024 amounting to QR 2.6 billion, capital expenditure investment, and working capital requirements. Currently, the Group has no long-term financial debt obligations.

The Group generated positive operating cash flows[2] of ~QR 1.8 billion and invested ~QR 1.2 billion in capital expenditure and projects under development and thereby generating free cash flow of ~QR 0.6 billion.

Segmental performance highlights

Petrochemicals:

Key Performance Indicators	1H-25	1H-24	Var (%) [1H-25 v. 1H-24]	2Q-25	1Q-25	Var (%) [2Q-25 v. 1Q-25]
Production (MT' Million)	1,452	1,445	0%	713	739	-4%
Average Selling Price (USD / MT)	732	746	-2%	697	770	-10%
Sales Volumes (MT's)	980	1,022	-4%	505	475	6%
Revenue (QR Mn)	2,525	2,684	-6%	1,238	1,288	-4%
Net Profit (QR Mn)	488	721	-32%	224	263	-15%

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

Segmental performance analysis – 1H-25 vs 1H-24

Petrochemicals segment reported a net profit of QR 488 million for 1H-25, notably down versus 1H-24. This decrease in net income was mainly linked to lower revenue and a decline in operating margin contributed to an increase in operating costs. Revenue declined on account of lower sales volumes and a marginal decline in selling prices. The decrease in both sales volumes and prices was due to a combination of factors including both internal and external factors. Selling prices too have softened compared to 1H-2024 primarily due to persistent demand weakness and oversupply due to cautious approach by buyers, geopolitical tensions, and crude price volatility. Additionally, volumes were also impacted due to unplanned shutdowns within both the polyethylene and fuel additive segment.

Segmental performance analysis - 2Q-25 vs 1Q-25

On a quarter-on-quarter basis, the segment's net earnings were marginally reduced due to lower average selling prices, and further challenging margins. The reduction in selling prices was partially offset by an increase in sales volumes resulting in a marginal reduction in revenue.

[2] Reported based on non-IFRS based proportionate consolidation.

Production has also declined marginally due to unplanned shutdowns within the polyethylene facilities during the quarter. The reduction in polyethylene production volumes was partially offset by improved fuel additive volumes as the fuel additive segment was on unplanned maintenance during 1Q-2025.

Fertilizers:

Key Performance Indicators	1H-25	1H-24	Var (%) [1H-25 v. 1H-24]	2Q-25	1Q-25	Var (%) [2Q-25 v. 1Q-25]
Production (MT' Million)	4,708	4,947	-5%	2,326	2,382	-2%
Average Selling Price (USD / MT)	382	324	18%	379	386	-2%
Sales Volumes (MT's)	2,868	3,194	-10%	1,469	1,399	5%
Revenue (QR Mn)	3,872	3,655	6%	1,968	1,905	3%
Net Profit (QR Mn)	1,080	1,002	8%	527	553	-5%

Segmental performance analysis – 1H-25 vs 1H-24

The fertilizer segment reported a net profit of QR 1.1 billion for 1H 2025, marking a marginal increase compared to the same period in 2024. This growth was primarily driven by higher revenues, supported by improved average realized prices. Price strength was underpinned by tightened global supply, export restrictions, logistical challenges and geopolitical uncertainty. Demand also improved, particularly from large agricultural economies, while lower natural gas costs further supported margins.

Sales volumes, however, declined moderately due to lower production levels, which were impacted by both planned and unplanned shutdowns, as well as broader macroeconomic pressures.

Segmental performance analysis - 2Q-25 vs 1Q-25

On a quarter-on-quarter basis, segmental revenue recorded a slight increase, primarily driven by a modest improvement in sales volumes. This was supported by stable macroeconomic conditions, stronger demand, and tighter supply—further reinforced by temporary production curtailments among certain producers and heightened geopolitical tensions. The higher sales volumes partially offset the impact of a marginal decline in the selling price. However, the increased operating costs associated with the higher volumes have slightly affected quarter-on-quarter profitability.

Steel:

Key Performance Indicators	1H-25	1H-24	Var (%) 1H-25 v. 1H-24]	2Q-25	1Q-25	Var (%) [2Q-25 v. 1Q-25]
Production (MT' Million)	2,570	2,124	21%	1,259	1,311	-4%
Average Selling Price (USD / MT)	475	544	-13%	449	518	-13%
Sales Volumes (MT's)	1,332	972	37%	827	505	64%
Revenue (QR Mn)	2,304	1,926	20%	1,351	953	42%
Net Profit (QR Mn)	265	356	-26%	149	116	29%

Segmental performance analysis – 1H-25 vs 1H-24

The steel segment reported a net profit of QR 265 million for 1H-2025, reflecting a notable decline compared to the same period last year. While gross and operating margins improved (approximately 1%), supported by improved cost efficiencies, the net profit margin declined due to the absence of a one-off gain related to the reversal of a financial guarantee recorded in 1H-2024 together with lower results from associates. On a like-for-like basis, profitability remained stable and in line with historical averages.

Segment revenue increased, driven by higher sales volumes resulting from the restart of previously mothballed production facilities. However, the revenue uplift was partially offset by lower average selling prices, impacted by challenging macroeconomic conditions. These included softening demand across key steel and metal markets, global oversupply, and continued weakness in construction activity due to reduced real estate investments and project delays in major economies. Although some central banks have begun easing monetary policies, construction demand remains subdued.

Segmental performance analysis - 2Q-25 vs 1Q-25

On a quarter-on-quarter basis, the segment reported a notable improvement in profit, primarily driven by higher revenue resulting from increased sales volumes. However, average selling prices declined in line with prevailing macroeconomic conditions, influenced by geopolitical volatility and ongoing supply chain and logistical challenges.

Production during the quarter declined slightly compared to the previous quarter, mainly due to a higher number of maintenance-related shutdown days, which reduced overall operating days across the segment's facilities.

Interim Dividend Distribution

Today, the Board of Directors approved a total interim cash dividend distribution of ~ QR 1.6 billion equivalents to QR 0.26 per share representing 26% of nominal share value for the period ended 30 June 2025.

According to the relevant regulations, the interim cash dividends will be paid to shareholders at the close of trading on 17th August 2025. Edaa will handle the payment of interim dividends in accordance with applicable rules and regulations.

Earnings Call

Industries Qatar will host an Earnings call with investors to discuss the latest results, business outlook and other matters on Wednesday, 13th August 2025 at 1:30 pm Doha time. The IR presentation that accompanies the conference call will be posted on the 'financial information' page within the Investor Relations section at IQ's website.

-Ends-

صنـــاعـــات قــطـر
Industries Qatar

About Industries Qatar (IQ)

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

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

For more information about the earnings announcement, email iq@qatarenergy.qa or iq.investorrelations@qatarenergy.qa or visit www.iq.com.qa

DISCLAIMER

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

This presentation may contain forward-looking statements concerning the financial condition, results of operations and businesses of Industries Qatar Q.P.S.C. All statements other than statements of historical fact are deemed to be forward-looking statements, being statements of future expectations that are based on current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, operations and business performance or events impacting the group to differ materially from those expressed or as may be inferred from these statements.

There are a number of factors that could affect the realization of these forward-looking statements such as: (a) price fluctuations in crude oil and natural gas, (b) changes in demand or market conditions for the group's products, (c) loss of market share and industry competition, (d) environmental risks and natural disasters, (e) changes in legislative, fiscal and regulatory conditions, (f) changes in economic and financial market conditions and (g) political risks. As such, results could differ substantially from those stated, or as may be inferred from the forward-looking statements contained herein. All forward-looking statements contained in this report are made as of the date of this document.

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

GENERAL NOTES

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

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

DEFINITIONS

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