

FOR IMMEDIATE RELEASE

## **Industries Qatar posts a net profit of QR 1.0 billion for the three-month period ended 31 March 2025**

- Earnings per share (EPS) of QR 0.16 for 1Q-25 compared to QR 0.21 for 1Q-24.
- 1Q-25 results impacted due to lower volumes amid general recovery in product prices.
- Group operations continued to remain robust amid maintenance shutdown within polyethylene and fertilizer facilities, with average reliability factor remained around 98%.
- Group's liquidity continues to remain robust with a total cash and bank balances of QR 9.2 billion, after paying H2-2024 dividend of QR 2.6 billion.
- QAFAC's Joint Venture Agreement (CJVA) expired on 9 June 2024. Following the expiry IQ continues to hold its 50%. After the completion of necessary legal formalities, the remaining 50% that was previously held by other shareholders was acquired by QatarEnergy.

**Doha, Qatar; 30 April 2025:** Industries Qatar ("IQ" or "the Group"; QE Ticker: IQCD), today reported a net profit of QR 1.0 billion for the three-month period ended 31 March 2025, representing a moderate decline compared to 1Q-24.

### **Updates on macroeconomic environment**

Macroeconomic environment presented a mix bag of economic signal during the first quarter of 2025 after stabilizing mostly through 2024. Global GDP growth remained positive to moderate while inflation also continue to remain somewhat moderate, and above target levels established by many Central Banks. Despite uncertainties and geopolitical tensions continues to prevail economies across US, Eurozone, and the Emerging Markets grew on the backdrop of strong private consumptions and investments. The concerns over renewed potential tariffs on imports to the USA added additional layer of uncertainty to the global macroeconomic environment. From a regional point of view, continuing geo-political instability including the ongoing Red Sea conflicts, export restrictions on certain commodities like Urea, lower production in some of the larger production facilities have largely affected the supply-chain and consequently broadly offset the demand-supply effects.

Petrochemical segment experienced notable fluctuations during Q1-2025. Several factors impacted fluctuating petrochemical demand and supply, and thereby its prices. A general decline in crude oil price that led to lower feedstock prices such as ethylene and naphtha, oversupply conditions notably in the Europe and Asian markets together with moderate to weaker demand resulting in a shift in supply-demand balance favoring buyers contributing to lower prices. Additionally, the petrochemicals supply was also

boosted by lower shipping costs helped maintain competitive pricing, especially in regions with high inventory levels.

Fertilizer prices have shown a mix of stability and some fluctuations during the first quarter of 2025. Nitrogen fertilizer prices continued to stabilize after the sharp increase in the prior years with prices peaking in 2022. There were several factors supporting this price stability: Global demand and supply were relatively balanced amid some regional production cutbacks and export restrictions by some larger economies enabling stabilization of prices. The decline in energy prices helped keeping the production costs lower and stable. Furthermore, steady demand from the agricultural sector, driven by crop planting and production needs supported the stable fertilizer needs. The stable fertilizer prices were also aided by less market volatility compared to previous years as market participants had more visibility on the fertilizer segment.

Macro-economic conditions across the steel segment faced challenges with steel prices experiencing decline compared to 2024. This decline was driven by continued economic uncertainty on account of weaker demand from key markets like China, an increase in global steel production capacity outpacing demand growth, and on-going trade tensions and policy shifts most notably relating to potential tariffs have created significant volatility in steel prices during the quarter.

### Operational performance updates

Key Performance Indicators	1Q-25	1Q-24	4Q-24	Var (%) [1Q-25 v. 1Q-24]	Var (%) [1Q-25 v. 4Q-24]
Production (MT Million)	4.4	4.4	4.3	1%	4%
Sales Volume (MT'000)	2.4	2.5	2.4	-6%	-3%
Utilization Rates (%)	93%	102%	99%	-	-
Average Reliability Factor (%)	98%	98%	98%	-	-

Operations across the group continue to remain firm despite an increase in the routine maintenance shutdown within group's operations compared to same period of last year. All segments were on planned and unplanned maintenance during the current quarter with both fertilizer and steel segments were on planned maintenance while fuel additive segment underwent unplanned shutdown in Q1-2025. The group was able to maintain its production during the current period due to better production planning and restart of some of the facilities within the steel segment those were previously mothballed. Plant utilization rates for 1Q-25 stood at commendable as newly started plants have not fully ramped up. The utilization for the current year is expected to increase with full operations of the facilities those recently restarted. These operational statistics reflects the Group's continued commitment to operational excellence, reliable operations while ensuring unwavering importance to HSE.

On a quarter-on-quarter basis, production volumes slightly improved versus 4Q-24. Production across all segments increased except fuel additive segment. The higher production within these segments were driven by number of days in operations during the quarter as some segments were on shutdowns for higher number of days in Q4-2024, number of facilities in operations (notably for the steel segment) while the production within fuel additive segment was affected by unplanned shutdown during 1Q-2025.

**Financial performance updates – 1Q-25 vs 1Q-24**

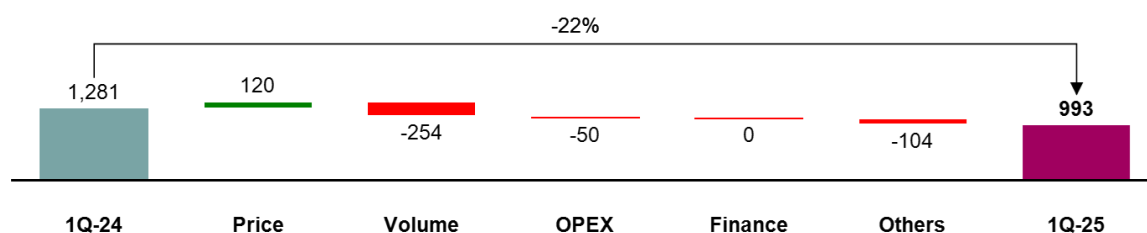
Key Performance Indicators	1Q-25	1Q-24	Variance (%)
Average Selling Price (USD / MT)	491	474	3%
Sales Volumes (MT'000)	2,378	2,539	-6%
Revenue (QR' billion)	4.1	4.3	-3%
EBITDA (QR' billion)	1.5	1.8	-16%
Net Profit (QR' billion)	1.0	1.3	-22%
Earnings per share (QR)	0.16	0.21	-22%
EBITDA (%)	36%	42%	-

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

Group reported a consolidated net profit of QR 1.0 billion for the three-month period ended 31 March 2025, with a reduction versus 1Q-24. Group revenue for 1Q-25 marginally declined compared the same quarter of last year.

**Analysis of IQ's net earnings - 1Q-25 vs 1Q-24**

Amounts in QR millions



Group's financial performance for the three-month period ended 31 March 2025 was largely attributed to the following factors:

- Product prices

Blended average product prices marginally versus 1Q-24 and accounted positively toward group's net earnings. This improvement was primarily driven by improved nitrogen fertilizer prices. Fertilizer prices have started to stabilize in the recent quarters after experiencing volatility during 2023. This price stability was ably supported by supply bottlenecks driven by regional geo-political uncertainty, export restrictions in larger producing economies like China, and production shortfall in some of the larger facilities due to facilities shutdowns and other factors such as cost escalations.

On the other hand, demand for downstream products were impacted by sluggish economic forecast in some of the larger key economies, monetary policies that remain moderate, limited domestic and regional demand.

- Sales volumes

Sales volumes for the current period decreased marginally versus 1Q-24, primarily driven by, weaker demand due to subdued macro-economic conditions, supply-bottlenecks amid ongoing regional uncertainties and timing of shipments within some of the operating segments.

#### ■ Operating cost

Operating cost for 1Q-25 have marginally increased versus 1Q-24 This increase in the operating cost primarily linked to higher price driven variable cost, fixed operating costs associated shutdown, adverse inventory changes and general inflation, partially offset by lower sales volumes.

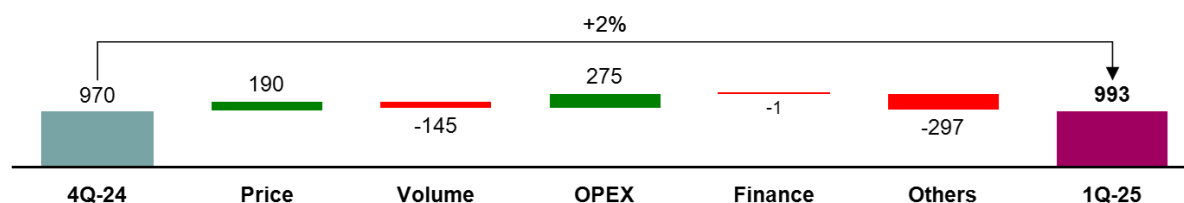
#### Financial performance updates – 1Q-25 vs 4Q-24

Key Performance Indicators	1Q-25	4Q-24	Variance (%)
Average Selling Price (USD / MT)	491	472	4%
Sales Volumes (MT'000)	2,378	2,444	-3%
Revenue (QR' billion)	4.1	4.1	1%
EBITDA (QR' billion)	1.5	1.4	7%
Net Profit (QR' billion)	1.0	1.0	2%
Earnings per share (QR)	0.16	0.16	2%
EBITDA (%)	36%	34%	-

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

#### Analysis of IQ's net earnings - 1Q-25 vs 4Q-24

(Amounts in QR millions)



During 1Q-25, the Group's net earnings marginally grew compared to 4Q-24. The increase was primarily due to an increase in average selling prices were broadly offset by lower sales volumes, absence of one-off non-operating other income and lower income from group's steel associate. This was partially offset by a significant improvement in the operating expenses that was partially driven by lower sales volumes. During 4Q-2024, the group recorded, a non-recurring other income of QR 144 million relating to fair value gain on remeasurement of previously held Interest in joint venture (QAFAC). On a comparable basis (*after adjusting for this one-off non-operating income of QR 144 million*), the adjusted net income for the current period has increased moderately by 20% versus 4Q-24 amid a reduction in sales volumes.

Revenue for 1Q-25 has marginally increased versus 4Q-24 due to improved selling prices that was partially offset by a marginal reduction in the sales volumes. Sales volumes have decreased sequentially amid presence of uncertainty in the market while a marginal increase in production volumes noted during the quarter. Production during the quarter increase due to group had comparatively higher operating days, and operation of an additional facility. On the other hand, average selling prices have marginally increased within fertilizer segment versus the previous quarter on the backdrop of favorable macroeconomic sentiments.

## Financial position

Key Financial Position Indicators	As at 31/3/25	As at 31/12/24	Variance (%)
Cash & Bank Balance (QR Billion)	9.2	11.4	-19%
Total Assets (QR Billion)	40.7	42.4	-4%
Group Equity (QR Billion)	36.1	37.7	-4%
Equity as % of Asset	89%	89%	-

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

Group's financial position continue to remain robust, with cash and bank balances at QR 9.2 billion as of 31 March 2025, after accounting for a dividend payout relating to the financial year H2-2024 amounting to QR 2.6 billion and routine capital expenditure payments. Currently, the Group has no long-term debt obligations. The Group generated positive operating cash flows<sup>1</sup> of ~QR 670 million, while invested ~QR 640 million in capital expenditure thereby generating a modest free cash flow.

## Segmental performance highlights

### Petrochemicals:

Key Performance Indicators	1Q-25	1Q-24	4Q-24	Var (%) [1Q-25 v. 1Q-24]	Var (%) [1Q-25 v. 4Q-24]
Production (MT' Million)	739	725	763	2%	-3%
Average Selling Price (USD / MT)	770	750	756	3%	2%
Sales Volumes (MT's)	475	517	520	-8%	-9%
Revenue (QR Mn)	1,288	1,364	1,386	-6%	-7%
Net Profit (QR Mn)	263	354	201	-26%	31%

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

### Segmental performance analysis - 1Q-25 vs 1Q-24

Petrochemicals segment reported a net profit of QR 263 million for 1Q-25, moderately down versus 1Q-24. This decrease was mainly linked to lower revenue and a decline gross in margin attributed to an increase in operating costs. Revenue declined on account of lower sales volumes amid moderate decline in sales volumes while selling prices have marginally improved versus the same period of last year. Blended average selling prices for the segment marginally improved versus the last year but remained stable throughout the year on the backdrop of some easing of monetary policies, renewed consumer interest, balanced demand and supply and somewhat favorable feedstock pricing.

### Segmental performance analysis - 1Q-25 vs 4Q-24

On a quarter-on-quarter basis, segment's net earnings improved significantly on the backdrop of improved operating costs that declined moderately ultimately leading to an increase in the operating margin. Although, the sales volumes have declined marginally (partially due to lower production within fuel additive segment due to unplanned shutdowns), the marginal increase in average selling prices together with reduction in operating costs have aided the segment improve its profitability during the current quarter.

<sup>1</sup> Reported based on non-IFRS based proportionate consolidation.

**Fertilizers:**

Key Performance Indicators	1Q-25	1Q-24	4Q-24	Var (%) [1Q-25 v. 1Q-24]	Var (%) [1Q-25 v. 4Q-24]
Production (MT' Million)	2,382	2,523	2,292	-6%	4%
Average Selling Price (USD / MT)	386	355	349	9%	11%
Sales Volumes (MT's)	1,399	1,495	1,356	-6%	3%
Revenue (QR Mn)	1,905	1,876	1,669	2%	14%
Net Profit (QR Mn)	553	638	418	-13%	32%

*Segmental performance analysis - 1Q-25 vs 1Q-24*

Fertilizer segment reported a net profit of QR 553 million for 1Q-25, with moderate decline versus 1Q-24. This reduction in net profit versus the last year was primarily driven by lower revenues on account of lower volumes, increased operating costs that was primarily linked to price driven feedstock costs, unfavorable inventory changes together with additional costs associated with the shutdown. Reduction in production on account of maintenance shut down led to lower sales volumes.

Segment's revenue marginally increased in 1Q-25 versus the same period of last year, due to a moderate increase in the selling price. Selling prices have inclined moderately versus 1Q-24 and stabilized during the later part of the year on the favorable macroeconomic fundamentals. Sales volumes were moderately decreased during 1Q-25, mainly due to lower production and supply challenges. The segment reported a total production of 2.4 million metric tons marginally down amid stable operations.

*Segmental performance analysis - 1Q-25 vs 4Q-24*

On a quarter-on-quarter basis, segmental revenue marginally increased versus the previous quarter owing to higher sales volumes and higher selling prices. Selling prices and sales volumes have improved primarily owing to stable macroeconomic conditions including balanced demand and supply. Improvement in sales volumes were also supported by increase in production on account of higher operating days as the segment higher facility maintenance days during the previous quarter.

Segment's net profit for 1Q-24, increased notably mainly due to higher revenues on account of improved sales volumes.

**Steel:**

Key Performance Indicators	1Q-25	1Q-24	4Q-24	Var (%) [1Q-25 v. 1Q-24]	Var (%) [1Q-25 v. 4Q-24]
Production (MT' Million)	1,311	1,161	1,215	13%	8%
Average Selling Price (USD / MT)	518	541	506	-4%	2%
Sales Volumes (MT's)	505	527	568	-4%	-11%
Revenue (QR Mn)	953	1,038	1,047	-8%	-9%
Net Profit (QR Mn)	116	156	130	-26%	-11%

*Segmental performance analysis - 1Q-25 vs 1Q-24*

Steel segment reported a net profit of QR 116 million, decreased notably versus the same period of last year. The reduction was primarily driven by lower revenue on account of combined effect of lower price and sales volumes together with lower reported earnings from its associates. The segment was able to maintain its gross margin at its previous year level of 11% to 12%.

Revenue declined moderately due to a combined effect of lower prices and sales volumes. Average steel prices declined marginally due to softening of demand across key steel and metal markets together with steel capacity outpacing its demand globally. Construction demand also continued to remain subdued.

due to challenging macro-economic environment with most Central Banks continued to maintain moderate, but stricter monetary policies. Production on the other hand has improved moderately as the segment has restarted some of the facilities those were previously mothballed.

*Segmental performance analysis - 1Q-25 vs 4Q-24*

On a quarter-on-quarter basis, segmental profit shown a notable decline due to lower revenue and lower net earnings from segment's associates. Revenue declined versus last quarter mainly on account of lower volumes.

Segment revenue for the current quarter has declined marginally due to lower sales volumes amid prevailing market conditions. Production improved moderately versus the previous quarter as the segment restarted one of its steel melt shops that was previously mothballed.

**Earnings Call**

Industries Qatar will host an Earnings call with investors to discuss the latest results, business outlook and other matters on Monday, 5<sup>h</sup> May 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-



## 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](mailto:iq@qatarenergy.qa) or [iq.investorrelations@qatarenergy.qa](mailto:iq.investorrelations@qatarenergy.qa) or visit [www.iq.com.qa](http://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.

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## 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