



# Industries Qatar

## Investor Relations Presentation

30 June 2021

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

# DISCLAIMER

The Companies in which Industries Qatar Q.P.S.C. directly and indirectly owns investments are separate entities. In this presentation, “IQ” and “the Group” are sometimes used for convenience in reference to Industries Qatar Q.P.S.C.

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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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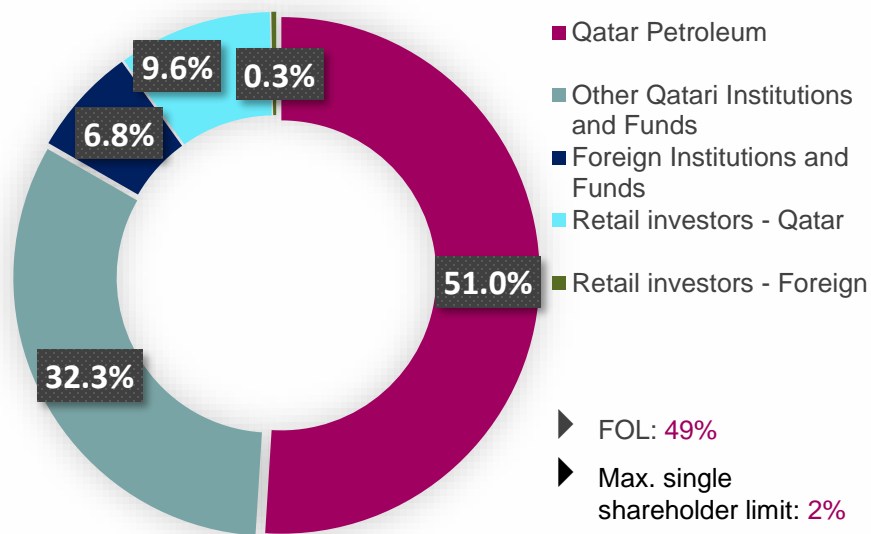
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# IQ at a glance

## Overview

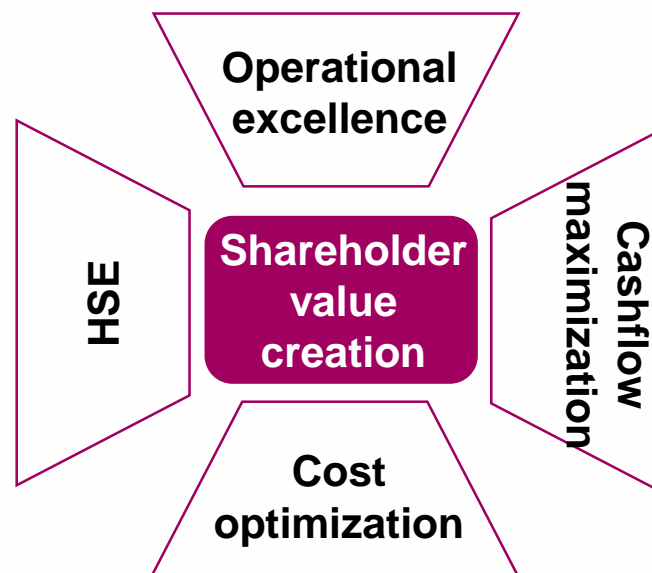
- Industries Qatar (IQ) was incorporated and listed on the Qatar Exchange in 2003.
- IQ is the **second largest company** at Qatar Exchange by Market Capitalization.
- IQ is credit rated by Standard & Poor's (**A+**; stable) and Moody's (**A1**; stable).
- Qatar Petroleum provides most head office functions 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-Jun-21

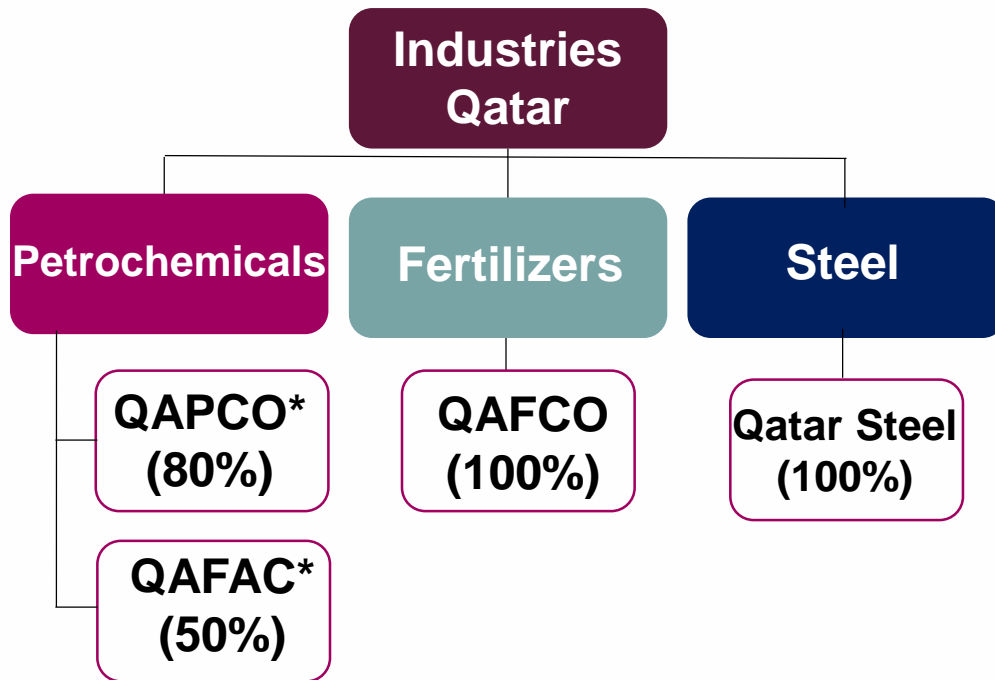
## Core values



# IQ business segments at a glance

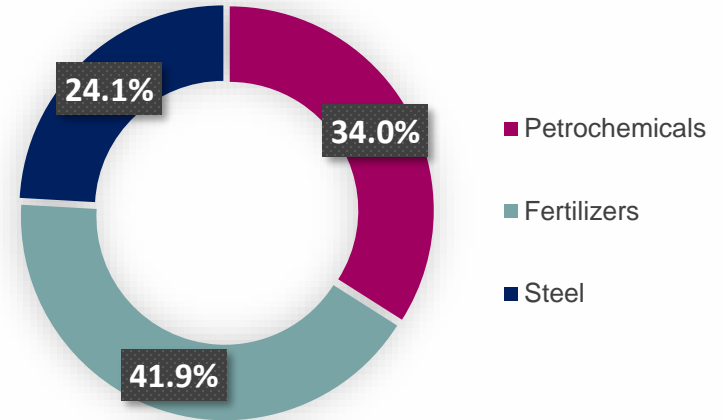
## Business segments overview

- 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.

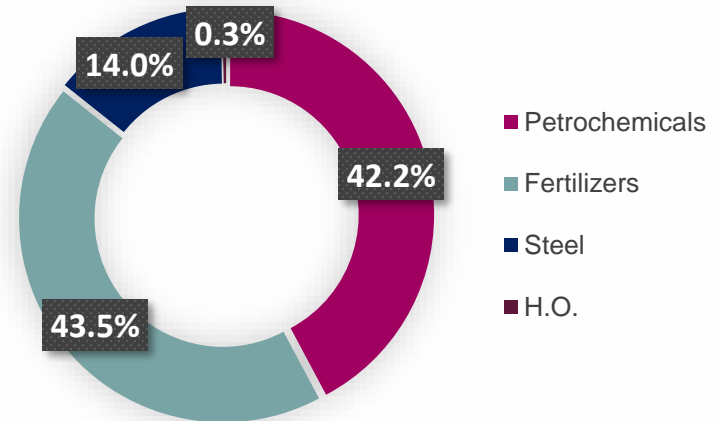


\*Joint venture stake

## Segment size by Revenue



## Segment size by Net Profits



Note: Revenue and net profit data as of 30-Jun-21

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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

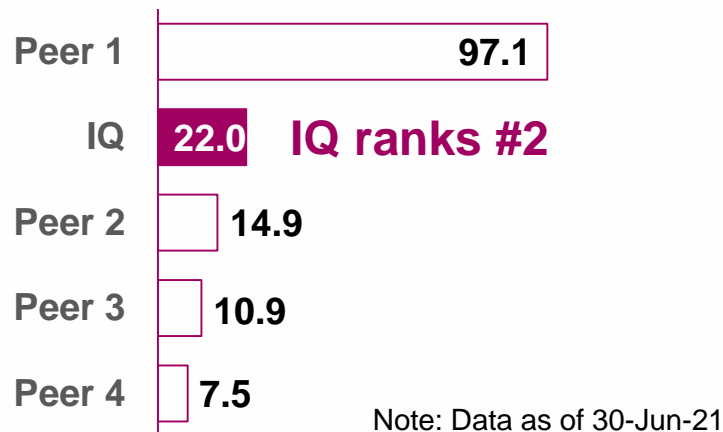
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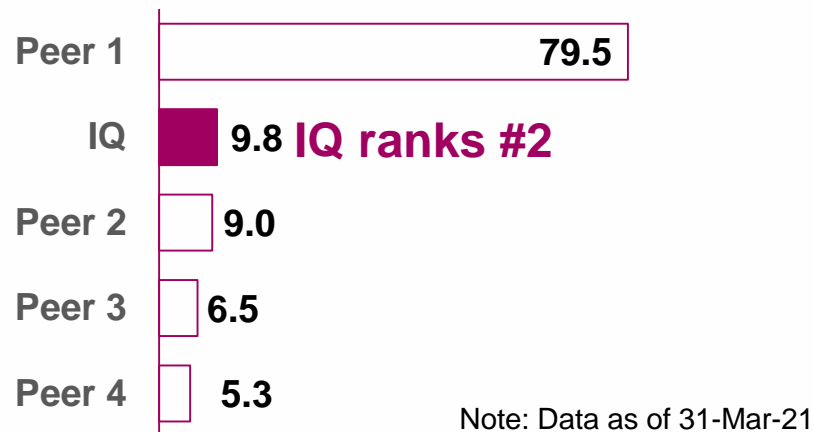
IQ ranked **#28** among  
***“2021 Forbes List of Top 100 Companies in the Middle East”***

# Competitive positioning versus regional peers

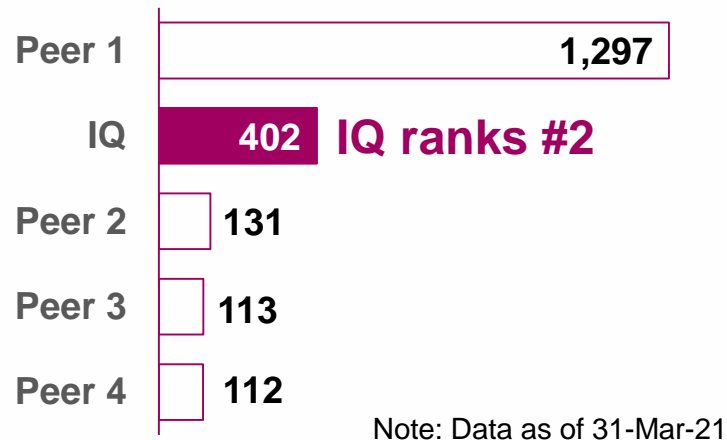
## Market Cap. (USD' billion)



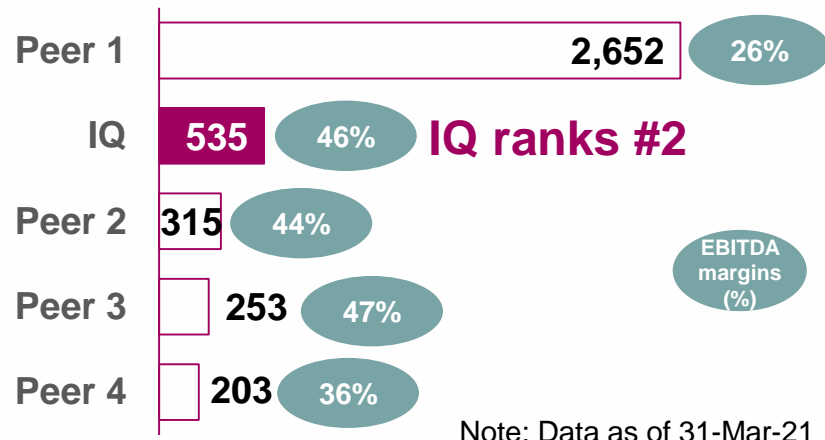
## Total Assets (USD' billion)



## Net profit (USD' million)



## EBITDA (USD' million)



10 Note: Regional peers data include all listed companies in MENA region involved in production of Petrochemicals, Fertilizers, Specialty Chemicals & Hybrids (Petchem, Fertilizers & Metals).



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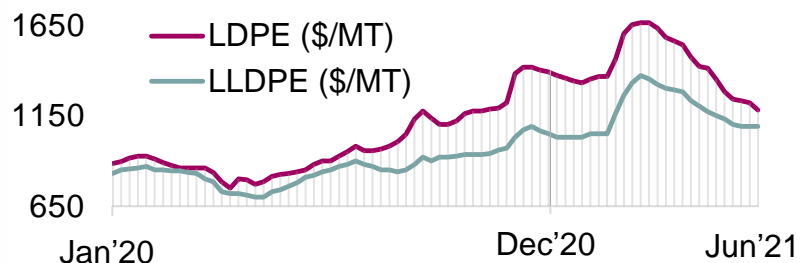
# Macroeconomic updates

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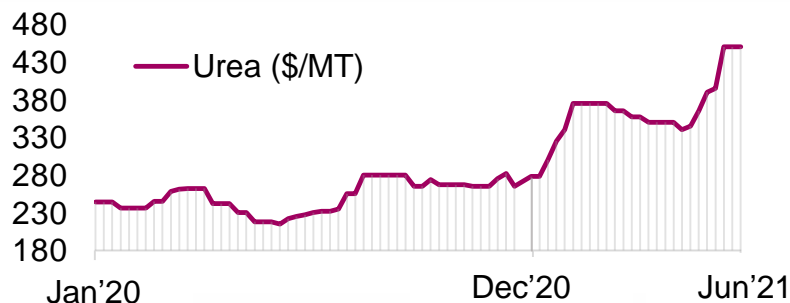
# Macroeconomic updates

## Petrochemicals



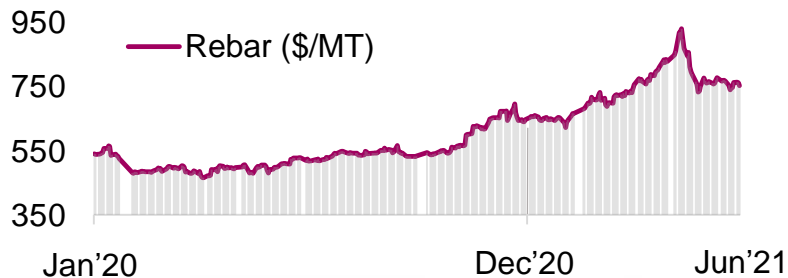
- Economic momentum carried forward from the tail end of last year on the back of ongoing vaccination campaign and easing of lockdowns in major markets, allowed sequential recovery and led to a stronger consumer demand and rising oil prices. In addition, industry supply constraints and global logistical bottlenecks remained evident throughout the period across industrial sectors, especially Petrochemicals. These macro imbalances enabled positive price trajectory for most of the petrochemicals and led to margin improvements.

## Fertilizers



- Supply bottlenecks, together with strong global coarse grains demand led to a record high crop prices, improving farmers' affordability for fertilizers and supported strong price trends for nitrogen-based fertilizers.

## Steel



- Steel prices continued its positive trajectory since Q4-20, underpinned by increase in steel demand linked to a rebound in construction activity, coupled with higher raw material costs internationally.

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# Group results

## (For the six-month period ended 30 June 2021)

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# 1H-21 results at a Glance

Growth vs. 1H-20

**Revenue**  69%  
QR 9.2 billion

**EBITDA**  188%  
QR 4.5 billion

**Net profit**  391%  
QR 3.5 billion

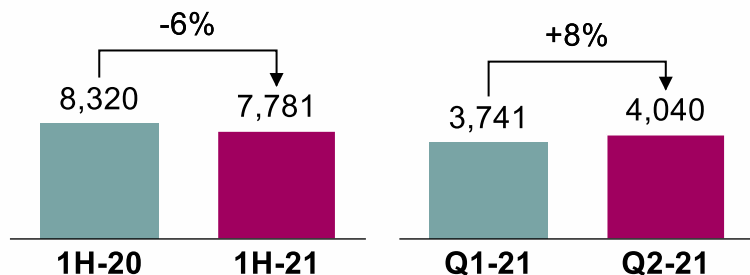
*EBITDA Margin: 48.6%*

*EPS: QR 0.58    RoAE: 14.2%*

- Group reported the highest quarterly profit since 2013, on the back of constructive macroeconomic drivers
- Group's liquidity position continues to remain robust with total cash exceeding QR 11 billion
- Ongoing sequential recovery driving demand, with prices continued its positive trajectory during Q2-21
- IQ's operations remained resilient, as the Group continue to focus on ensuring safe, efficient and reliable operations

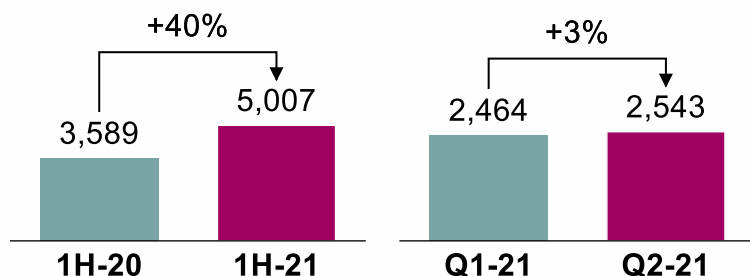
# Operational performance review

## Production (MT' 000)



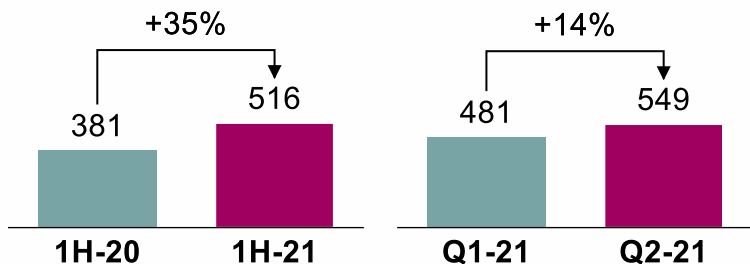
- 1H-21 production volumes declined as compared to 1H-20, mainly due mothballing of certain steel facilities which started since mid of 2020, periodic maintenance shutdowns at certain Qafco facilities (Trains 1-4) during the current period and commercial shutdown at MTBE facilities.
- Q2-21 production levels increased compared to Q1-21, driven by higher fertilizer and fuel additive volumes.

## Sales volume (MT' 000)



- 1H-21 sales volumes increased versus 1H-20, mainly due to recording of sales volumes for Qafco trains 1-4 during current period, which was not the case in 1H-20 due to a temporary gas processing arrangement. This was partially offset by commercial shutdown at MTBE facilities, planned maintenance at Qafco facilities and facility mothballing in the steel segment.
- Q2-21 sales volumes slightly increased in comparison to Q1-21, broadly inline with overall movement in production volumes.

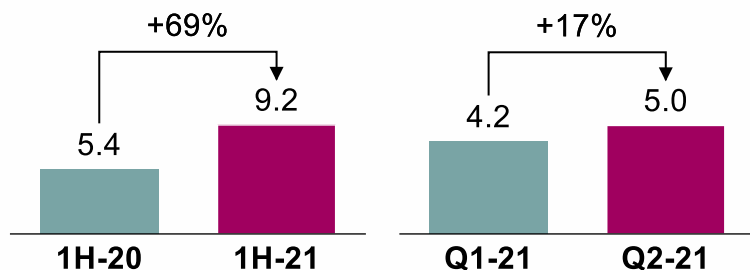
## Selling prices (\$/MT)



- 2021 price improvements: due to renewed demand driven by lifting of lockdown in major markets and effective vaccination campaign and crude price recovery; along with supply constraints and global logistical bottlenecks remained evident during the period.

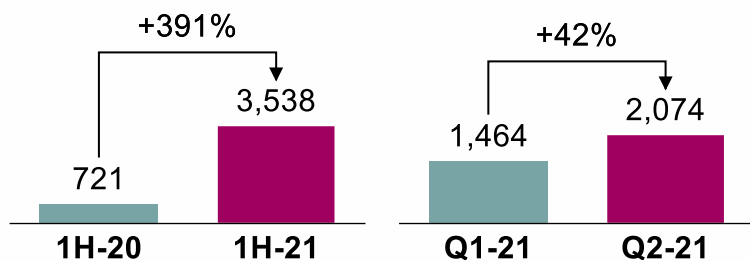
# Financial performance review

## Revenue (QR' billion)



- 1H-21 Group revenue increased significantly versus 1H-20, mainly on the back of overall increase in blended selling prices and enhanced sales volumes.
- Q2-21 Group revenue increased in comparison to Q1-21, mainly due to an increase in product prices across all segments, amid continued recovery in global demand against a backdrop of constructive macroeconomic drivers.

## Net profit (QR' million)

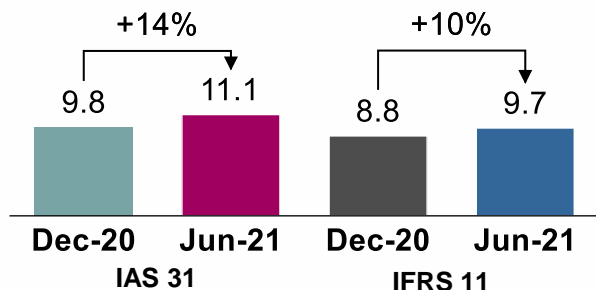


1H-21 vs 1H-20: results were significantly improved due to:

- Higher prices; and
- Higher sales volumes.

Q2-21 vs Q1-21: a key contributor towards the growth was an overall increase in average selling prices, which continued the positive trajectory on the back of improved macroeconomic sentiments.

## Net cash (QR' billion)



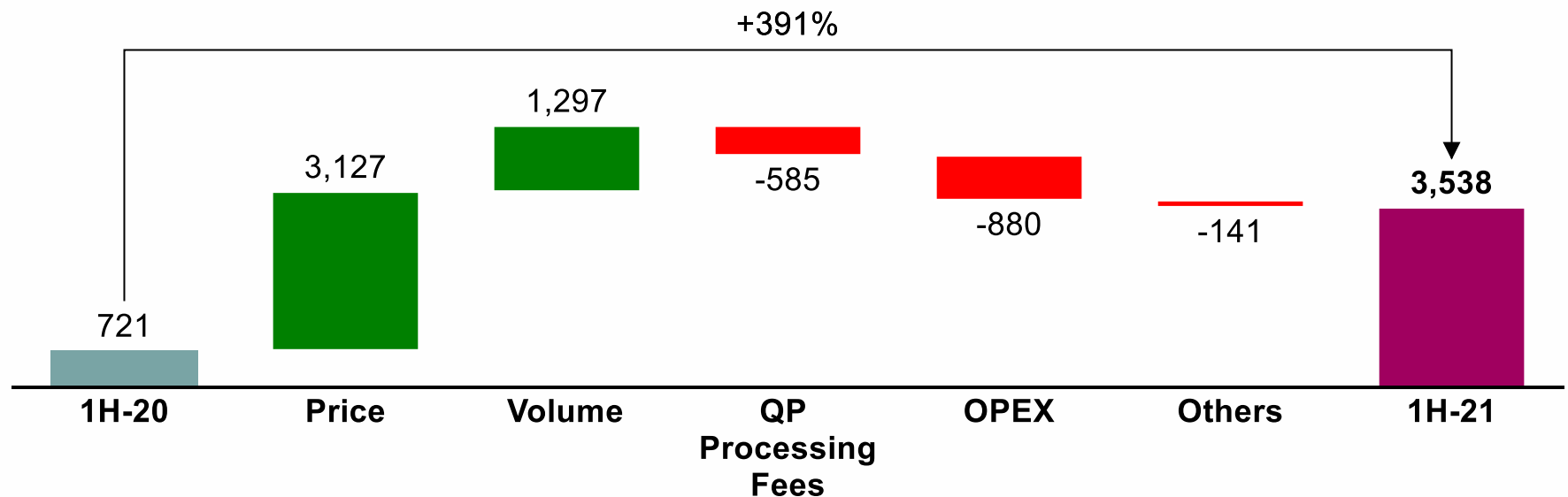
- Total cash across the Group stood at QR 11.1 billion (under IAS 31). Cash increased from last year mainly on account of improved cash generation during the current period, partially offset by payment of 2020 dividends and 2021 CAPEX.
- There is no long-term debt across the Group.



# Net profit variance analysis

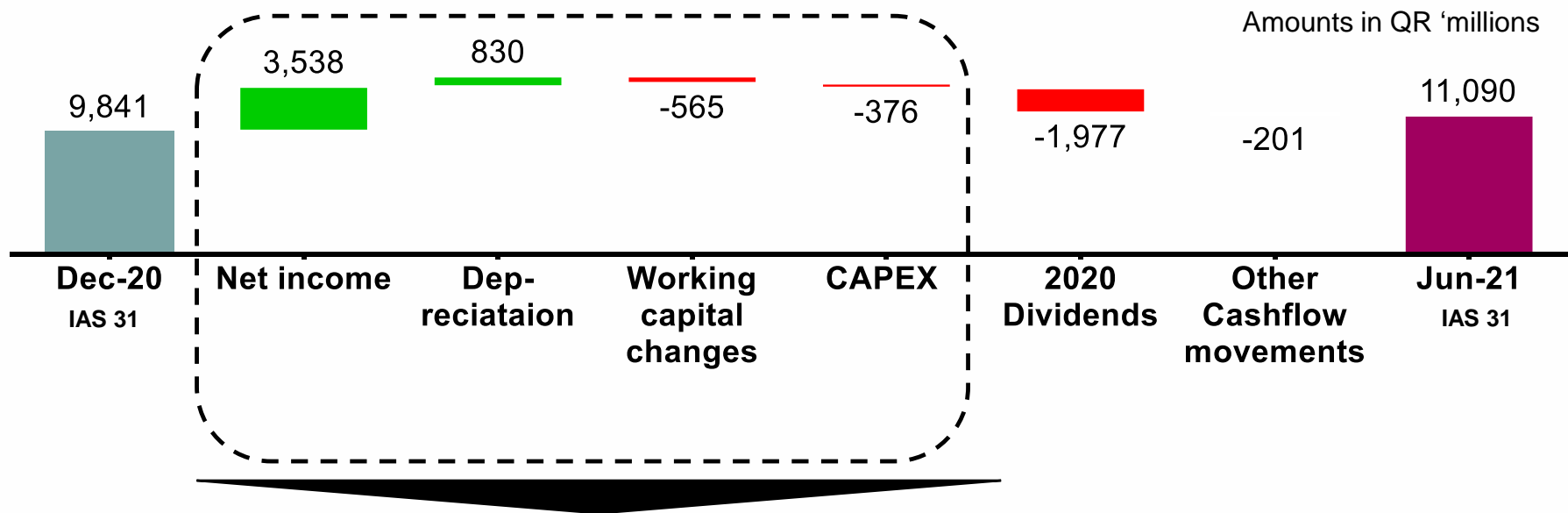
Net profit of **QR 3.5 billion**, up by 391% on 1H-20, mainly driven by higher product prices and sales volumes. This was partially offset by the negative movements due to absence of QP processing fees. OPEX was higher mainly driven by increased volumes associated with Qafco trains 1-4 operating under new GSPA.

Amounts in QR 'millions



# IQ cash flow generation

IQ's free cash flow generation capability remained robust

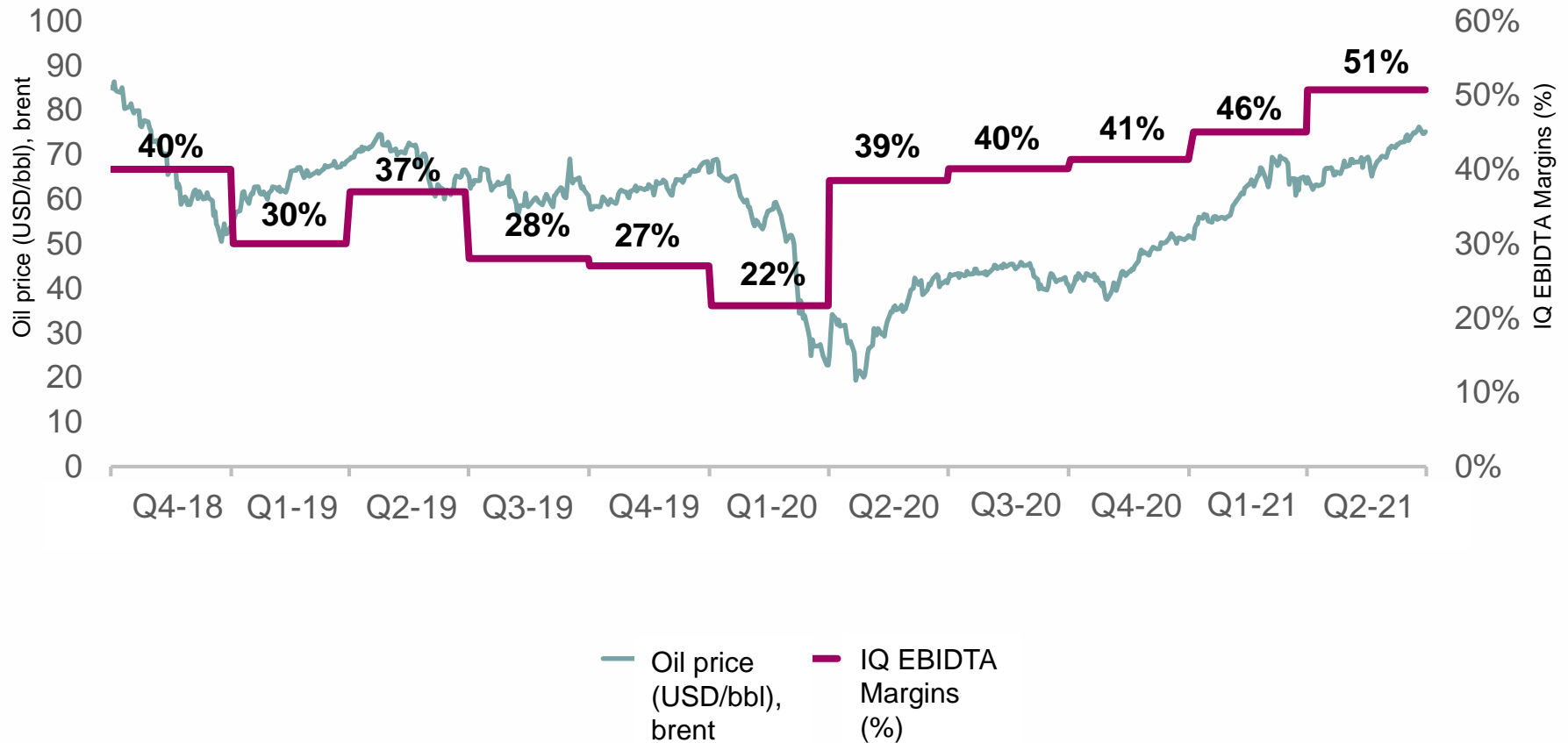


**Free cash flows generated during six-month period ended 30 June 2021:**  
**QR 3.4 billion**

Free cash flows generated during three-month period ended 30 June 2021:  
QR 1.6 billion

# Robust EBITDA margins

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

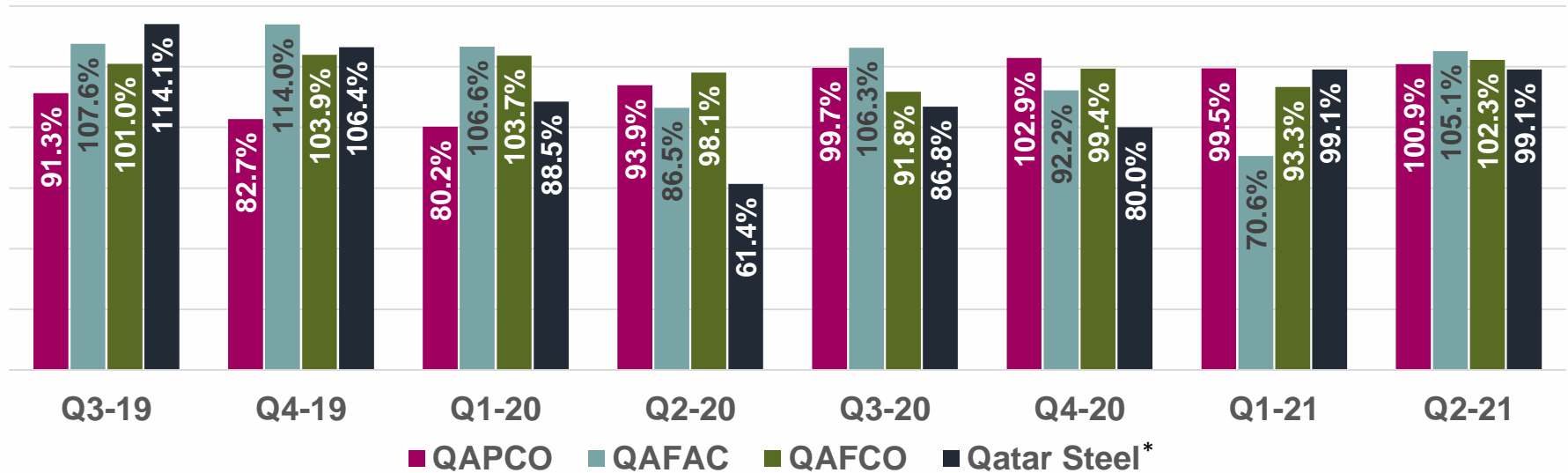


Source: Oil price (USD/bbl), brent – Bloomberg; EBITDA margins – company data



# IQ's plant operating rates

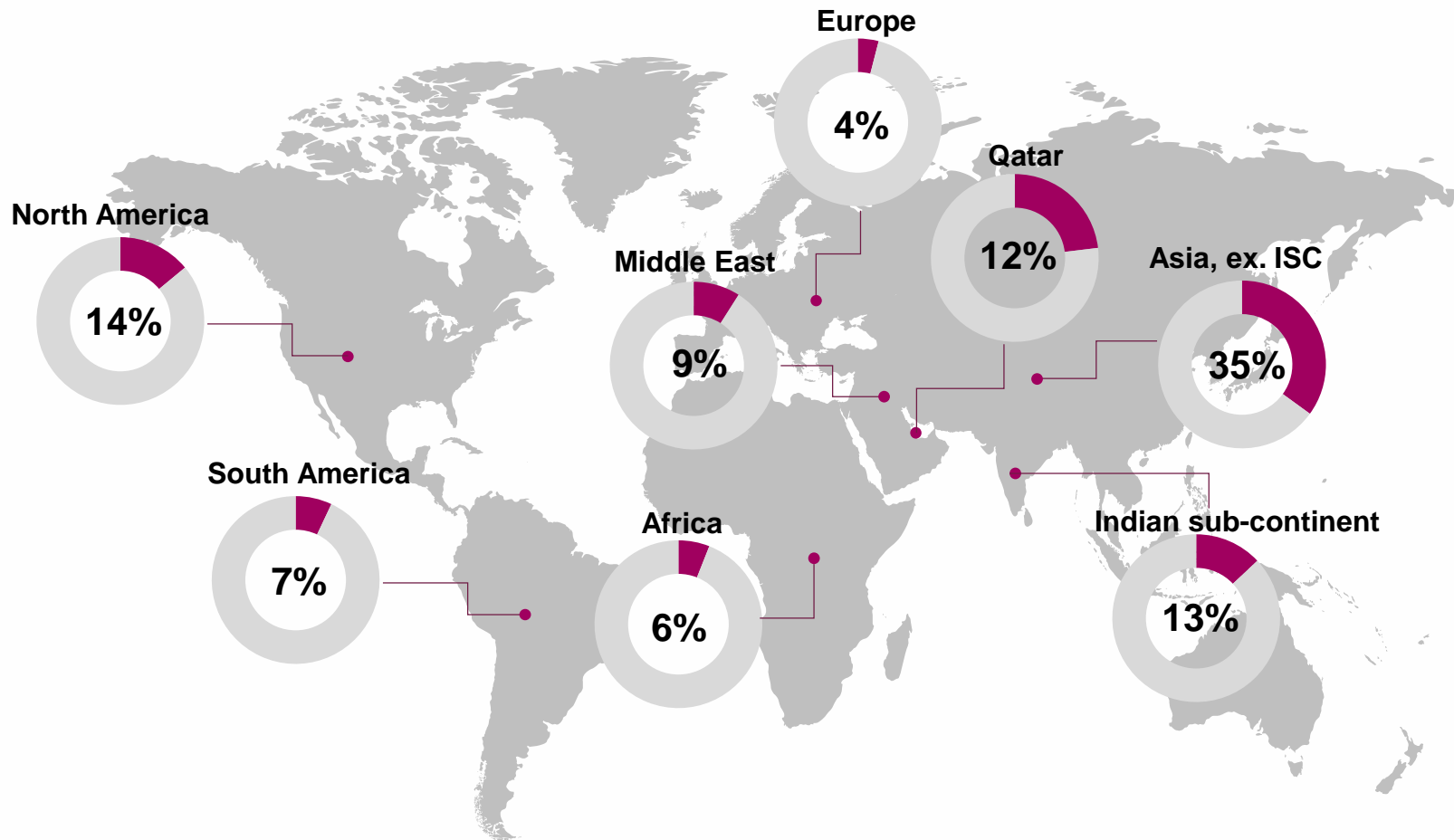
IQ's plant operating rates remained stable



\* **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.

# 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 six-month period ended 30 June 2021)

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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);

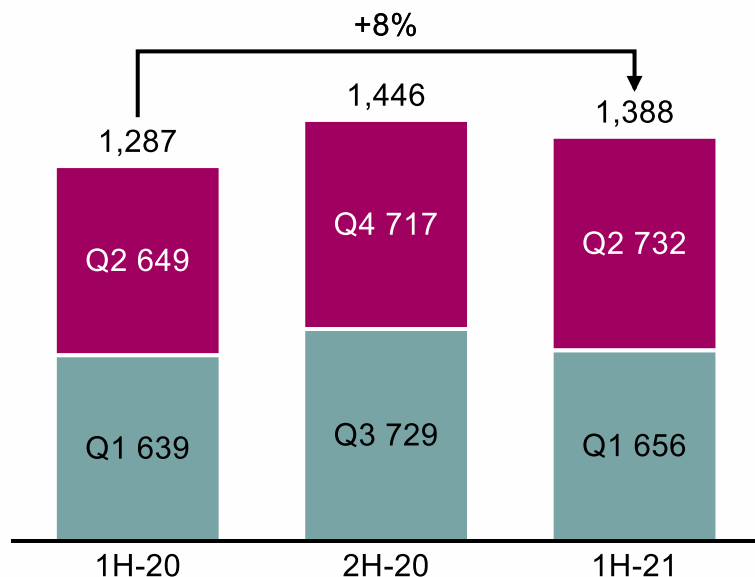


# 1H-21 results: Petrochemicals

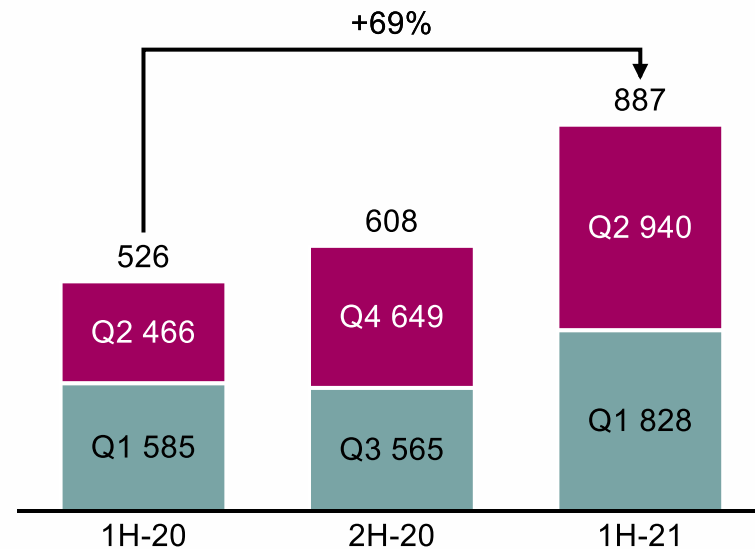
*Analysis of production & selling prices*

- Production:** Production up by **8%** compared to 1H-20, as the segment had lesser number of planned and unplanned maintenance shutdowns during 2021 compared to last year;
  - Q2-21 production volumes increased by **12%** versus Q1-21, mainly as a result of MTBE facilities became operational after a commercial shutdown during Q1-21.
- Selling Prices:** Up on 1H-20 by **69%**, due to renewed demand in major markets amid improved macroeconomic conditions and supply constraints.
  - Q2-21 selling prices improved by **14%** compared to Q1-21, following continued recoveries noted in petrochemical prices amid better product demand.

## Production (MT' 000)



## Selling prices (\$/MT)



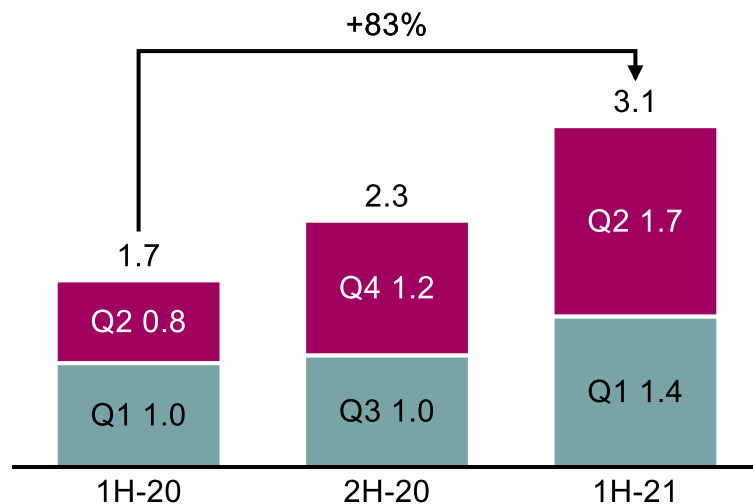


# 1H-21 results: Petrochemicals

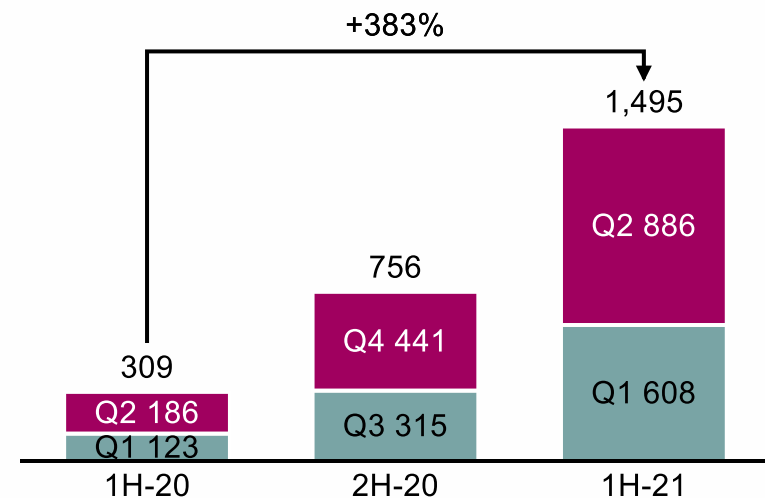
*Analysis of segment revenue & net profit*

- **Revenue:** QR 3.1 billion, up by 83% compared to the same period last year. This increase in revenue was mainly linked to higher product prices (+69%) and better sales volumes (+8%);
  - Q2-21 revenue improved by 26% as compared to Q1-21, mainly due to continued recoveries in selling prices (+12%) and improved sales volumes (+11%).
- **Net profit:** QR 1.5 billion, up by 383% compared to last year. Improvement was mainly due to the overall growth in segment revenue.
  - Net profit increased by 46% compared to Q1-21 mainly due to continued improved market sentiments positively affecting the selling prices and leading a positive growth in the segment revenue.

## Revenue (QR' billion)



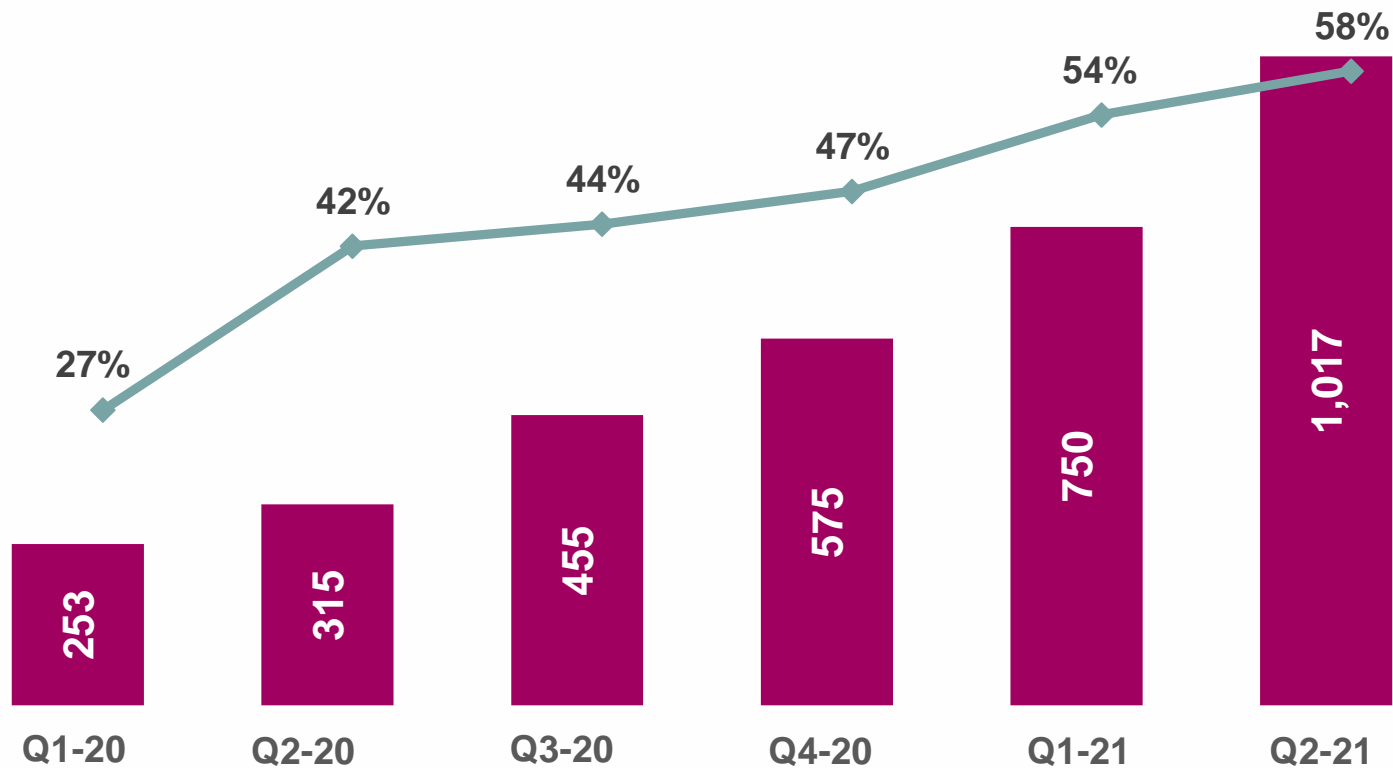
## Net profit (QR' million)



# 1H-21 results: Petrochemicals

Analysis of segment  
EBITDA margins

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

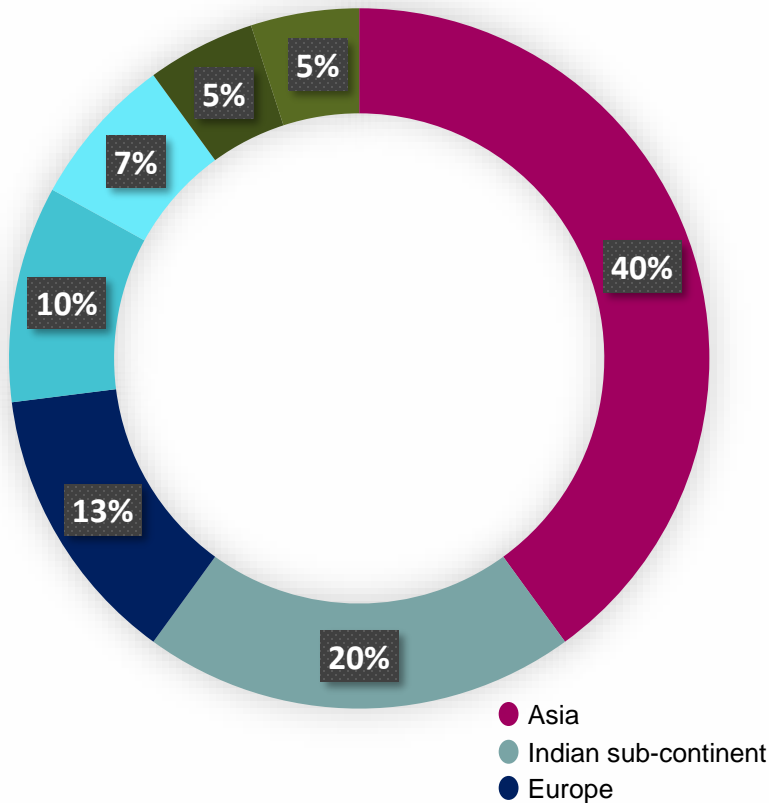


# 1H-21 results: Petrochemicals

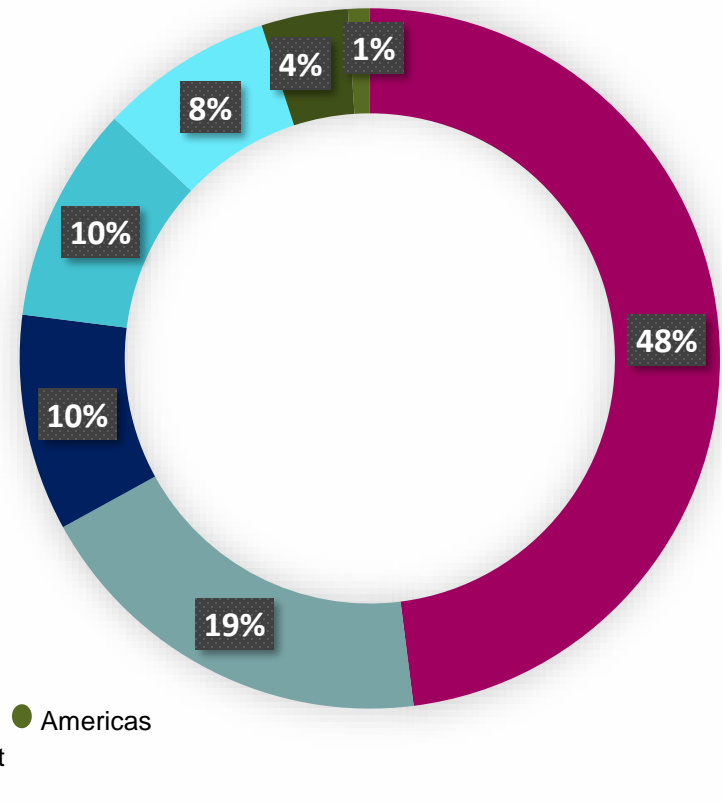
*Geographical analysis of segment revenue*

- 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

1H-21 Segment Revenue (%)



1H-20 Segment Revenue (%)

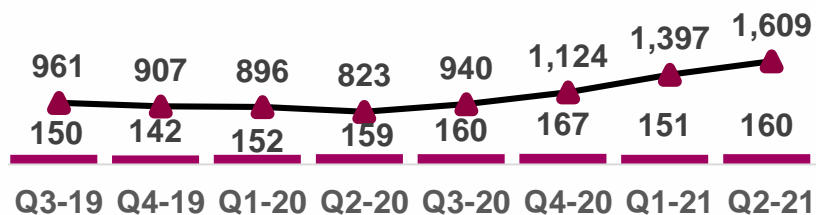


# 1H-21 results: Petrochemicals

Key segment products analysis

## LDPE

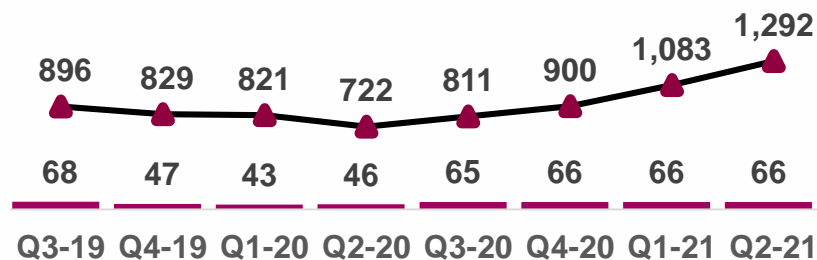
(contributed ~53% of the segment revenue in 1H-21)



Sales volumes remained stable since last year. Selling prices showed recovery since Q3-20 on the back of improved macroeconomic conditions and supply constraints, affecting the overall LDPE price trajectory.

## LLDPE

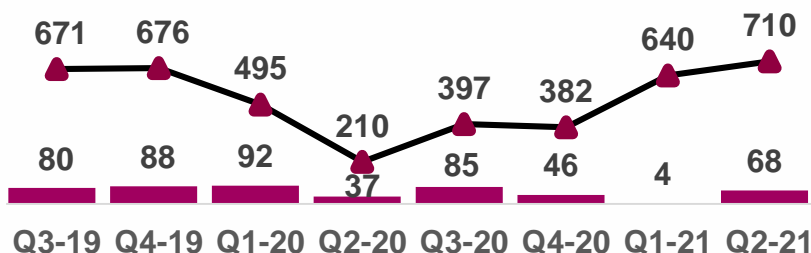
(contributed ~18% of the segment revenue in 1H-21)



Sales volumes remained stable since Q3-20. Selling prices continuing the positive trajectory since Q3-20, due to improved demand and ebbed supply.

## MTBE

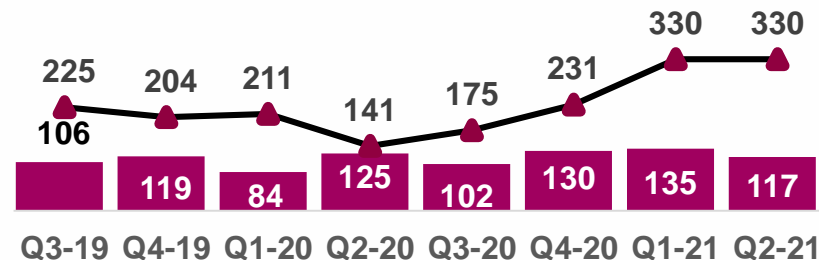
(contributed ~6% of the segment revenue in 1H-21)



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

## Methanol

(contributed ~9% of the segment revenue in 1H-21)



Sales volumes improved on overall basis since Q3-20. The selling prices recovered sharply from the lows in Q2-20 and plateaued during 2021.



# Segmental Details: Fertilizers

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

Product	(in 000 MT PA) Capacity <sup>1</sup>
Ammonia	3,840
Urea	5,957
Melamine	60
<b>Total</b>	<b>9,922</b>

- The segment's primary feedstock is methane gas (which is used for the production of ammonia) and ammonia (which is used for production of urea).

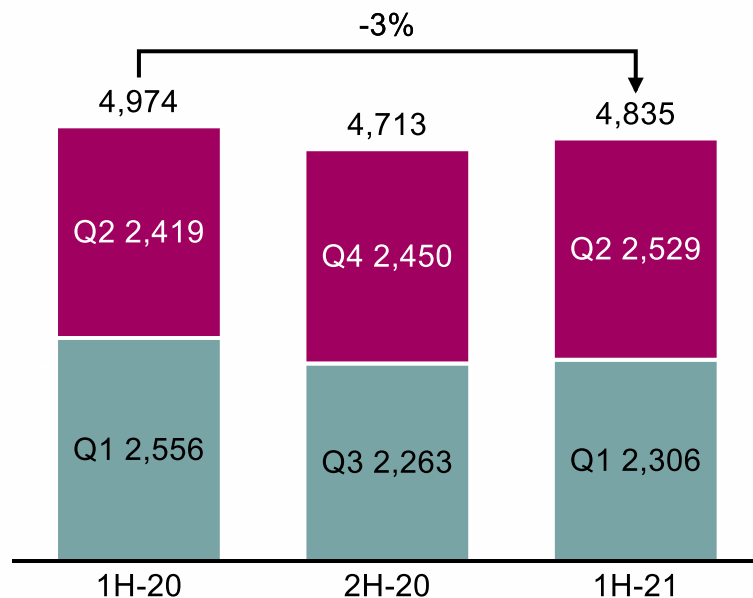


# 1H-21 results: Fertilizers

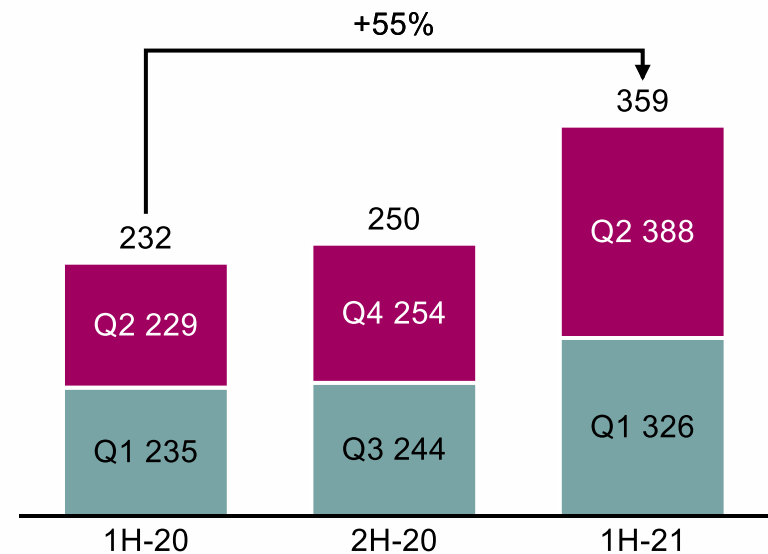
Analysis of production & selling prices

- Production:** Production declined by **3%** compared to 1H-20, as Qafco trains 1-4 underwent a maintenance shutdown with higher no. of days during Q1-21;
  - Q2-21 production increased by **10%** compared to Q1-21, due to better plant operating rates in Q2-21.
- Selling Prices:** Prices up by **55%** compared to 1H-20, as a result of strong product demand.
  - Prices increased by **19%** in Q2-21, compared to the Q1-21, underpinned by continuous surge in crop prices amid tighter supplies and strong demand.

## Production (MT' 000)



## Selling prices (\$/MT)

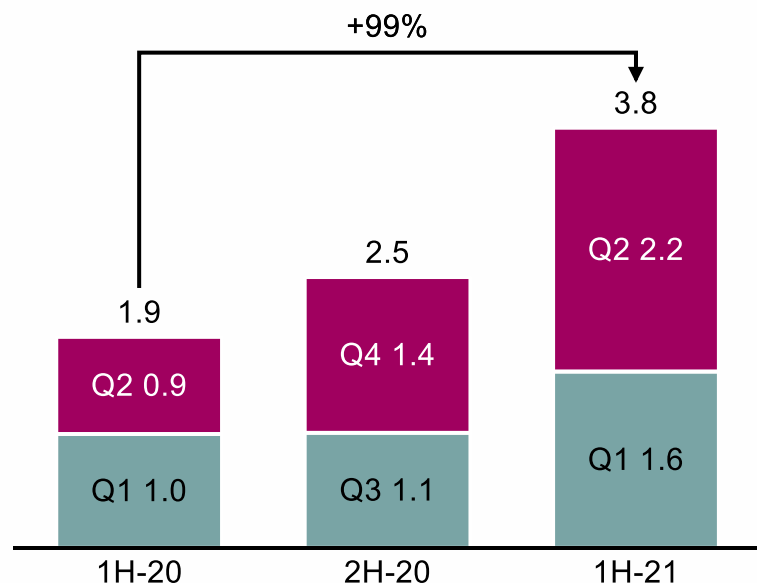


# 1H-21 results: Fertilizers

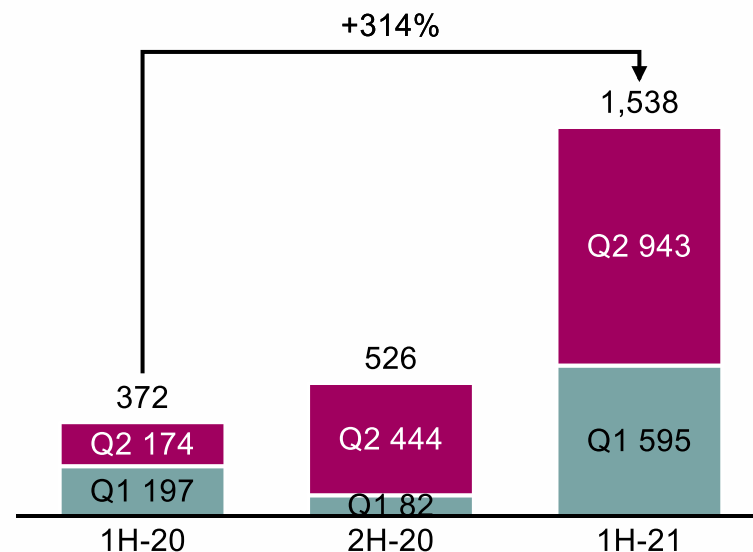
Analysis of segment revenue & net profit

- Revenue:** QR 3.8 billion, up by 99% compared to 1H-20, mainly due to positive growth in product prices (+55%) and sales volumes (+85%);
  - Revenue increased by 38% in Q2-21 compared to the Q1-21, mainly due to continued recoveries noted in selling prices (+19%) and enhanced sales volumes (+16%).
- Net profit:** QR 1.5 billion, up by 314% compared to 1H-20, due to overall increase in segmental revenues;
  - Net profit increased by 59% in Q2-21 compared to Q1-21, inline with the overall growth in revenues.

## Revenue (QR' billion)



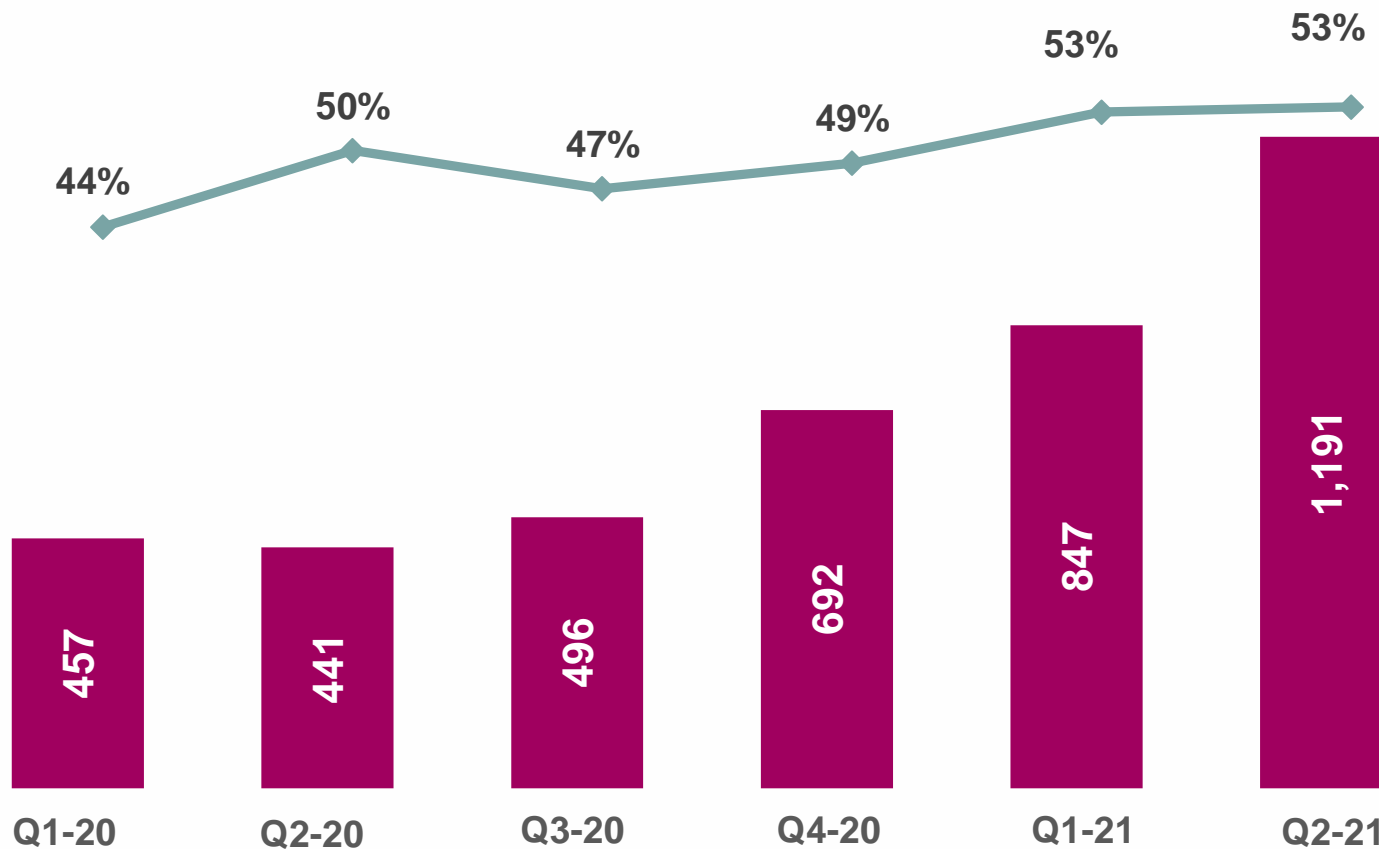
## Net profit (QR' million)



# 1H-21 results: Fertilizers

Analysis of segment EBITDA margins

Segment's EBITDA margins continued to remain robust



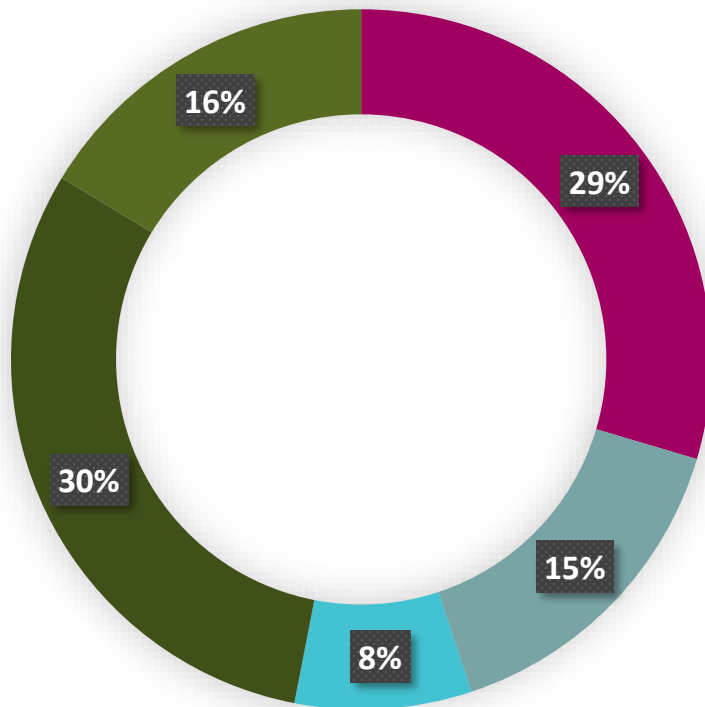


# 1H-21 results: Fertilizers

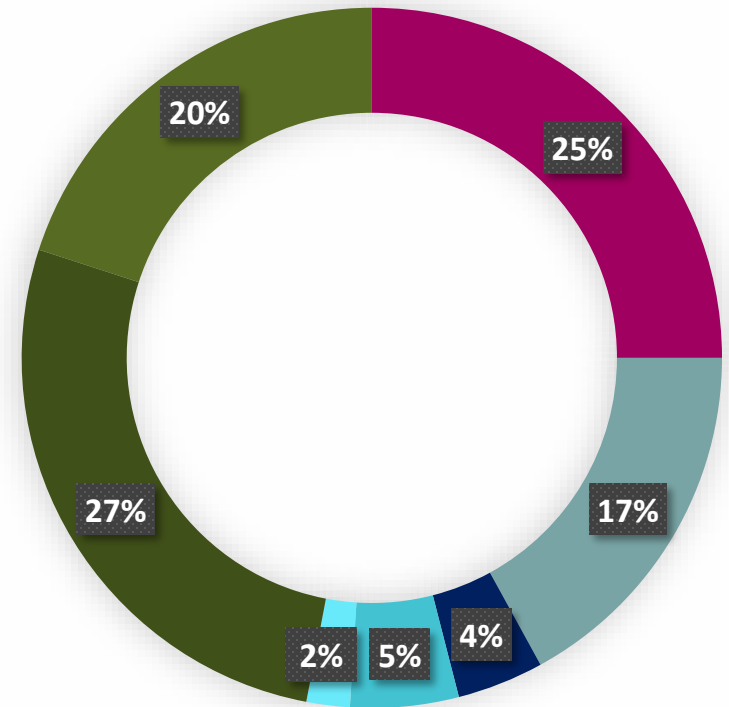
*Geographical analysis of segment revenue*

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

1H-21 Segment Revenue (%)



1H-20 Segment Revenue (%)



- Asia
- Indian sub-continent
- Europe
- Africa
- Middle East
- North America
- South America

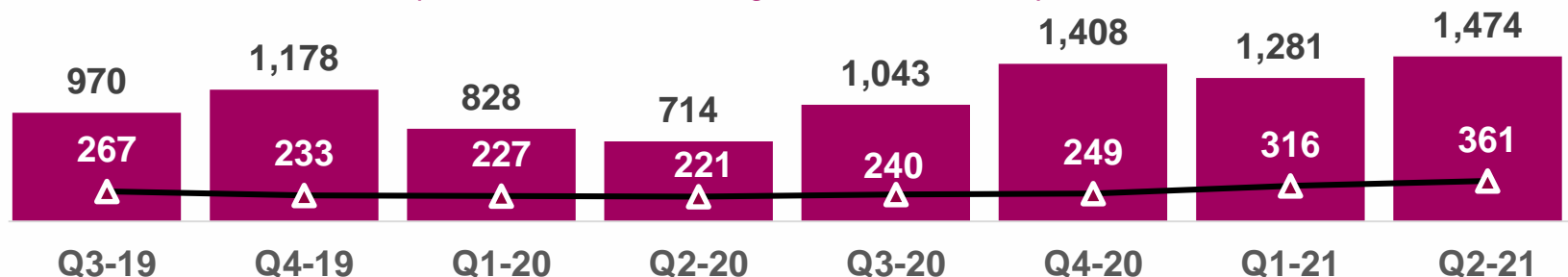


# 1H-21 results: Fertilizers

Key segment products analysis

## Urea

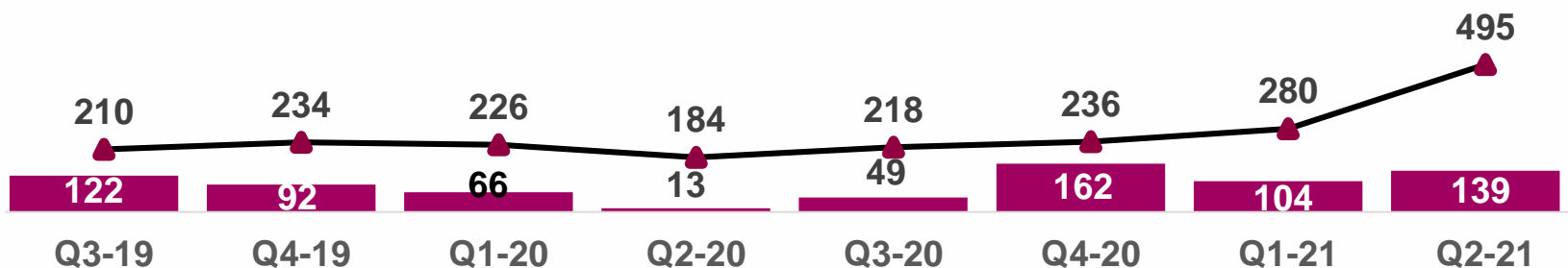
(contributed ~86% of the segment revenue in 1H-21)



Sales volumes during 2020 were affected due to a temporary gas processing arrangement for Qafco trains 1-4 for the first seven months of 2020. Selling prices continued to recover since Q3-20 on the back of improved macroeconomic conditions.

## Ammonia

(contributed ~9% of the segment revenue in 1H-21)



Sales of ammonia remained opportunistic depending on the market conditions and availability of excess ammonia, where 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:

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

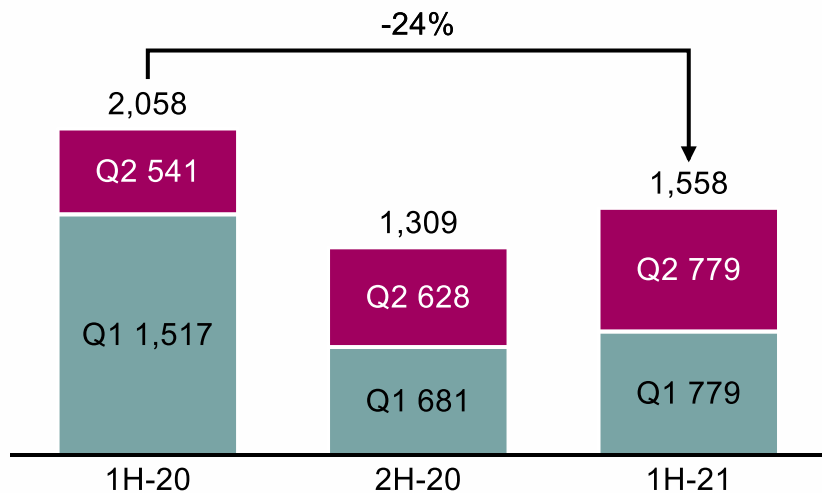


# 1H-21 results: Steel

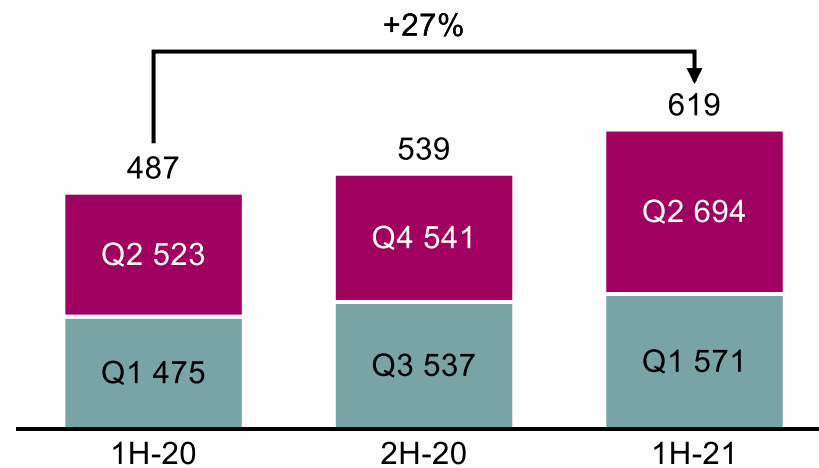
Analysis of production & selling prices

- **Production:** Production down by **24%** compared to 1H-20, due to management’s decision to mothball certain facilities starting from April’20;
  - Production volumes remained flat in Q2-21 compared to Q1-21.
  
- **Selling Prices:** improved by **27%** versus 1H-20, amid increase in demand underpinned by improved construction activity, along with higher raw material costs internationally;
  - Prices improved in Q2-21 by **22%** compared to the Q1-21, on the back on continued higher steel prices prevailed internationally.

## Production (MT' 000)



## Selling prices (\$/MT)

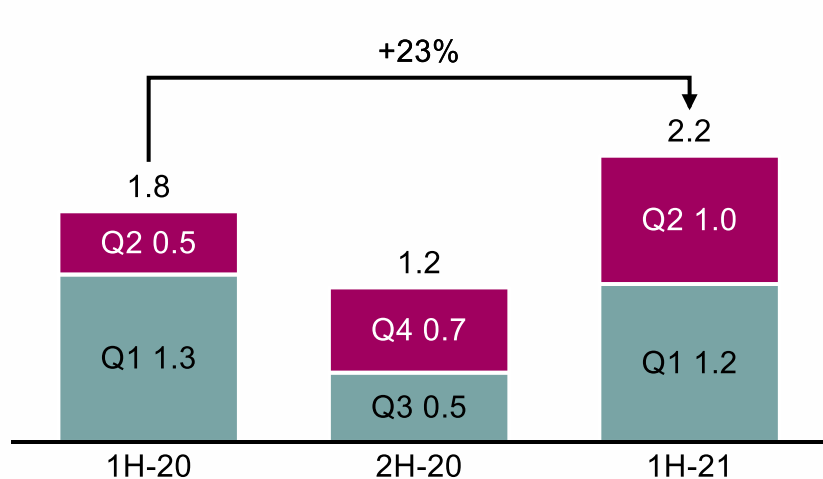


# 1H-21 results: Steel

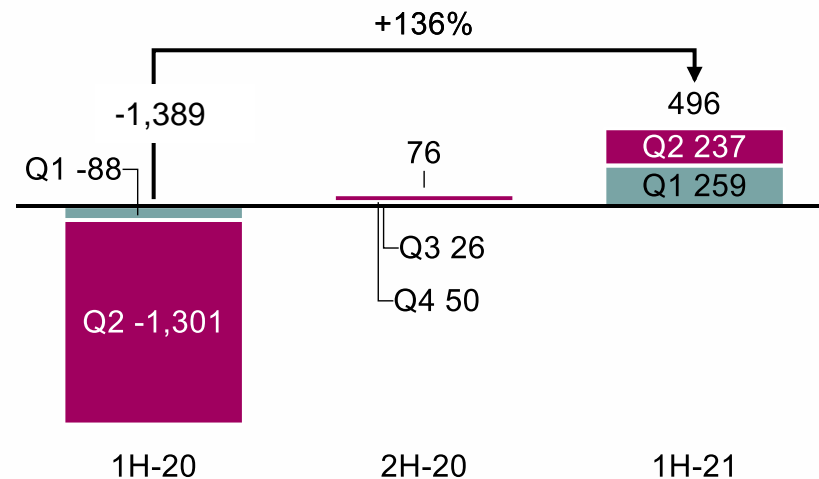
Analysis of segment revenue & net profit

- Revenue:** QR 2.2 billion, up by 23% on 1H-20 amid increase in selling prices (+27%), offset by decline in sales volumes (-23%) owing to the mothballing of certain steel facilities starting from Q2-20;
  - Revenue declined by 20% in Q2-21 compared to Q1-21 due to lower sales volumes (-34%), partially offset by improved pricing levels (+22%).
- Net Profit:** Net profit of QR 496 million for 1H-21 compared to a net loss of QR 1.4 billion in 1H-20, primarily due to improved margins on account of mothballing decision that allowed the segment to primarily focus on profitable domestic market, which led to adjust segment's cost base.
  - Profitability declined by 8% during Q2-21 compared to Q1-21, due to decline in segment revenue.

## Revenue (QR' billion)



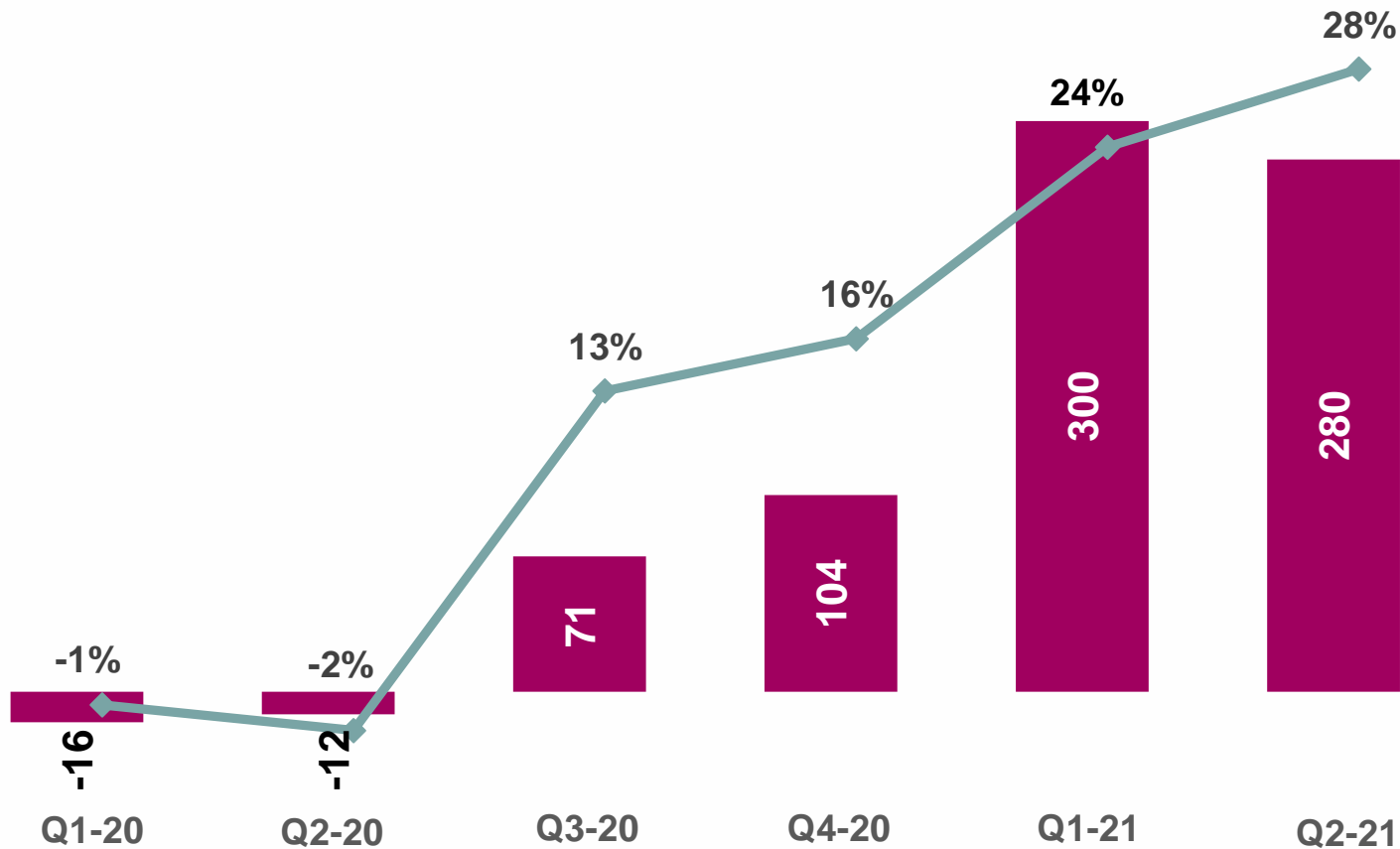
## Net profit (QR' million)



# 1H-21 results: Steel

Analysis of segment EBITDA margins

Steel segment's EBITDA margins continue to incline following the mothballing decision

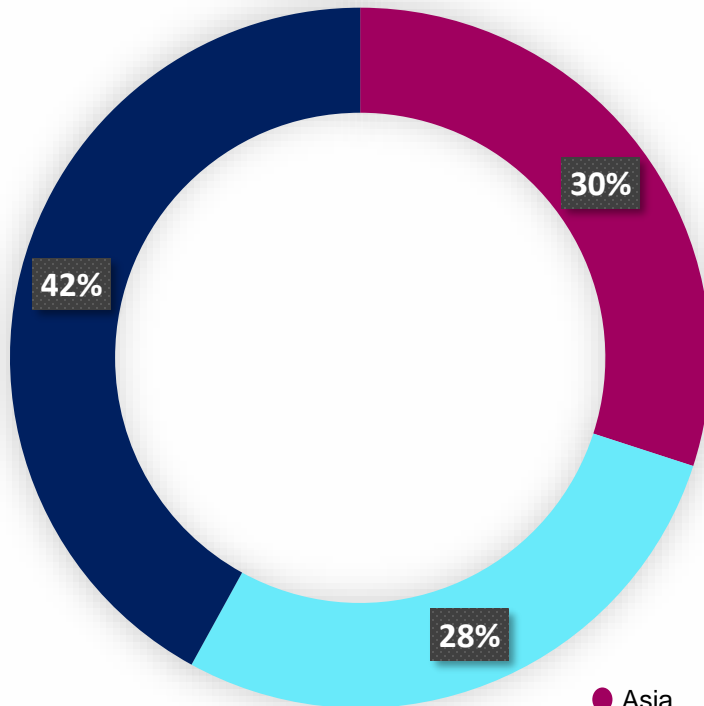


# 1H-21 results: Steel

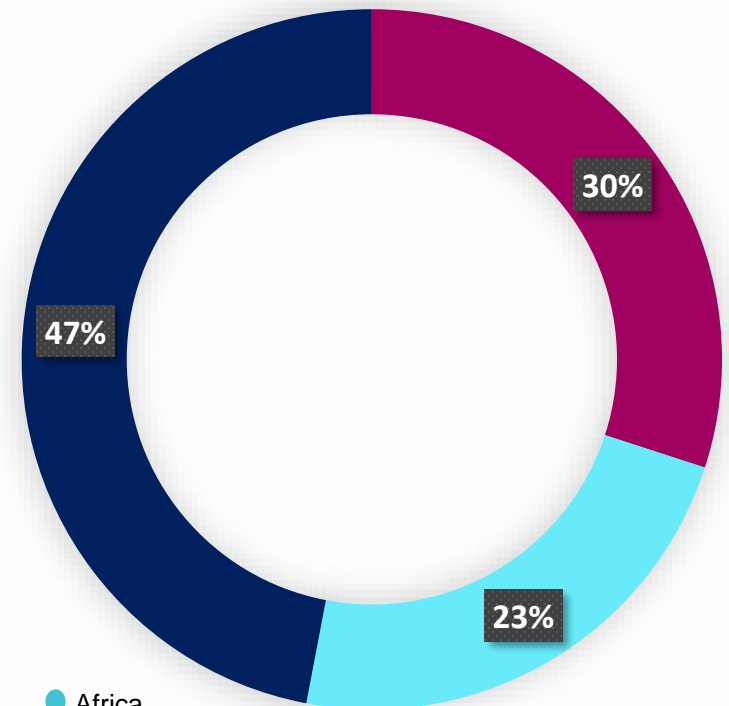
*Geographical analysis of segment revenue*

- Starting from the second quarter of 2020, the Group decided to temporarily resize capacity of domestic operations within the Steel segment to 0.8 million MT per annum of rebar with an intent to primarily cater local sector demand, amid higher competition and declining margins internationally. However, due to the improvement in the international prices, the segment was also able to sell some of the quantities outside the domestic market during 2021.

1H-21 Segment Revenue (%)



1H-20 Segment Revenue (%)



● Asia   
 ● Middle East   
 ● Africa  
● Qatar   
 ● Indian-subcontinent   
 ● America

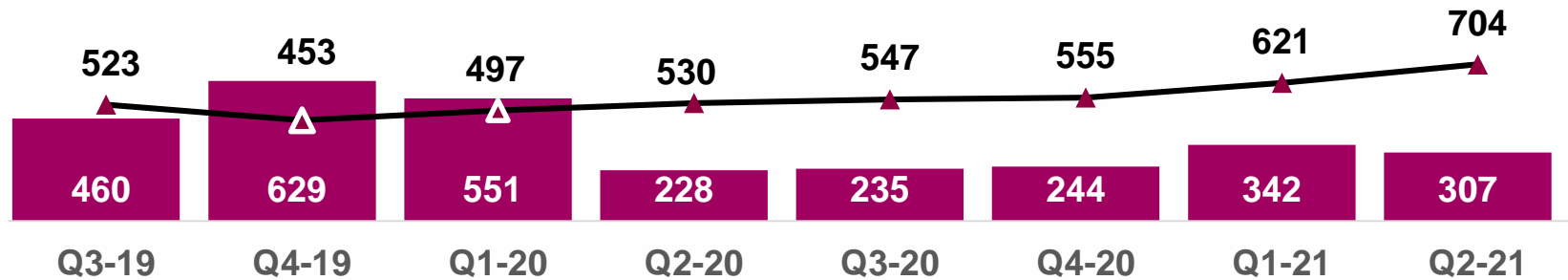


# 1H-21 results: Steel

Key segment products analysis

## Rebars

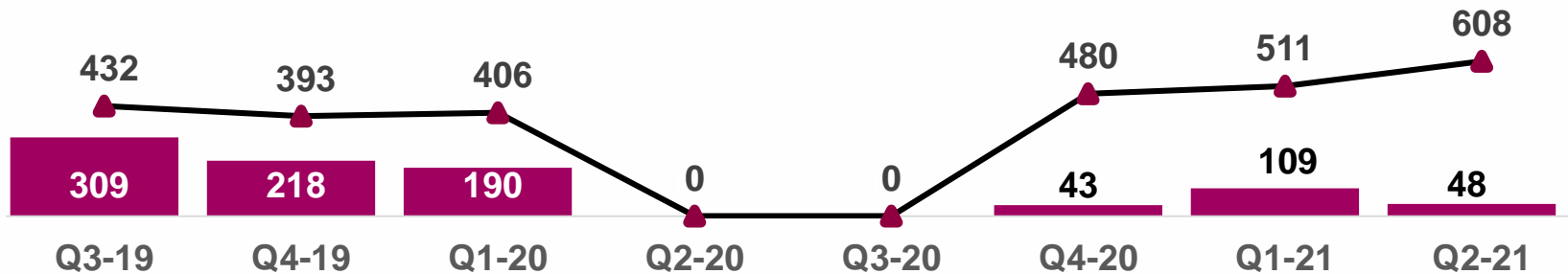
(contributed ~71% of the segment revenue in 1H-21)



Selling price improved starting from Q2-20 as the management decided to concentrate predominantly on the local demand, where, prices tend to be higher as compared to the international markets.

## Billets

(contributed ~14% of the segment revenue in 1H-21)



Sales of billets remained opportunistic depending on the market conditions and availability of excess billets, where most of the production of billets is used for Rebar production.



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# CAPEX & Cash flows (2021F – 2025F)

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# CAPEX and Cash Flows (2021F – 2025F)

- CAPEX / PUD spend of QR 5.2 billion across all segments doe 2021-2025 ▪ *No capacity related CAPEX and mostly related to reliability and HSE*  
PUD / Investments QR 2.0 billion; Turnaround Capex QR 1.5 billion;  
IT / Technical Road Map QR 0.7 billion; Other Capex QR 1.2 billion.
- Qapco (Capex of QR 1.2 billion)
  - QR 0.5 billion of routine CAPEX primarily related to HSE;
  - Turnaround / reliability related CAPEX of QR 0.7 billion;
  - No CAPEX related to PUD / Investments
- Qafac (Capex of QR 0.5 billion)
  - Turnaround & annual maintenance (2023) QR 0.1 billion, other routine CAPEX of QR 0.4 billion ▪ no capacity related CAPEX;
- Qafco (Capex of QR 3.2 billion)
  - Projects include (investment projects QR 1.6 billion, capital spares QR 0.2 billion, catalysts QR 0.1 billion, shutdown QR 1.1 billion, and others QR 0.2 billion)
- Qatar Steel (Capex of QR 0.3 billion)
  - CAPEX mainly related to maintenance replacement, HSE, and other minor projects;
- Additional borrowing of only QR 0.1 billion to finance operations of QAFAC

CAPITAL EXPENDITURE (in QR Billion)					
	2021	2022	2023	2024	2025
Capital Spares	0.1	0.1	0.0	0.0	0.0
Catalysts	0.0	0.0	0.0	0.0	0.0
Turnaround CAPEX	0.3	0.5	0.3	0.2	0.3
Investments / PUD	0.5	0.9	0.4	0.1	0.1
IT / Technical	0.3	0.1	0.1	0.1	0.1
Other Routine CAPEX	0.2	0.1	0.1	0.0	0.0
<b>Total CAPEX</b>	<b>1.5</b>	<b>1.8</b>	<b>0.9</b>	<b>0.5</b>	<b>0.5</b>
CASH FLOWS (in QR Billion)					
	2021	2022	2023	2024	2025
<b>Cash Flows:</b>					
- Operating	+2.8	+3.5	+4.1	+4.6	+4.8
- Investing	-1.4	-1.6	-0.6	-0.2	-0.2
- Financing	-0.0	-0.1	-0.1	-0.1	-0.1
<b>FCFF</b>	<b>+1.3</b>	<b>+1.7</b>	<b>+3.2</b>	<b>+4.1</b>	<b>+4.3</b>
<b>FCFE</b>	<b>+1.4</b>	<b>+1.7</b>	<b>+3.2</b>	<b>+4.1</b>	<b>+4.3</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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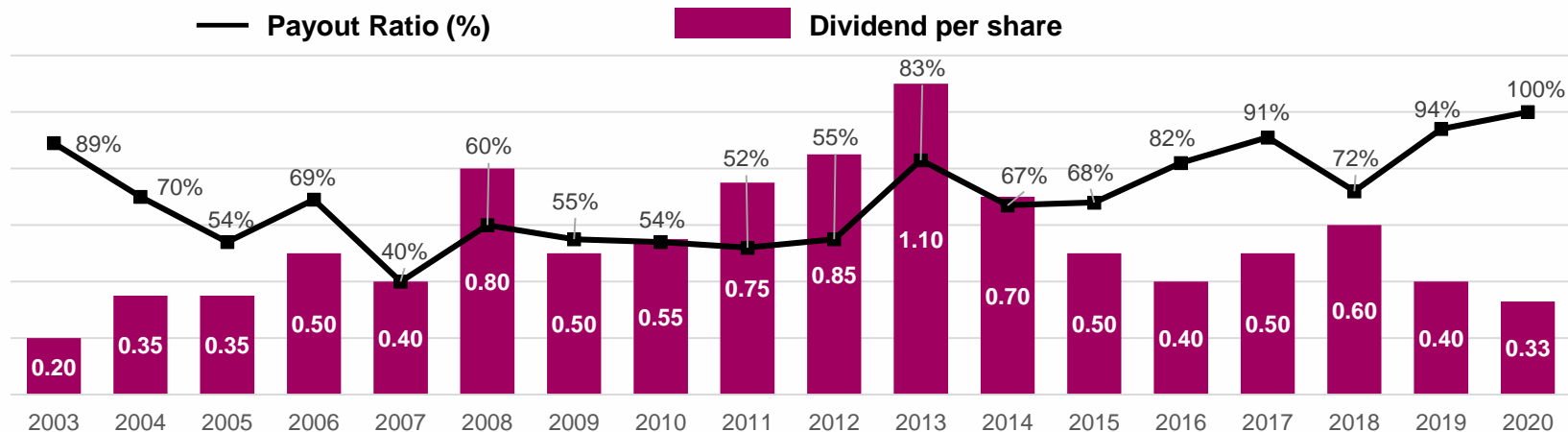
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# Dividend and market statistics

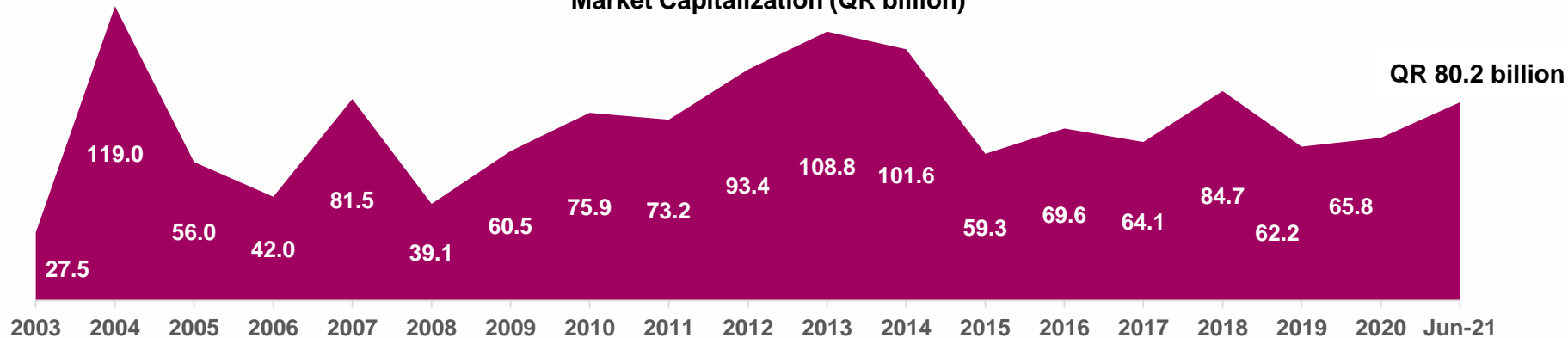
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# Dividend Record & Market Statistics



Market Capitalization (QR billion)



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



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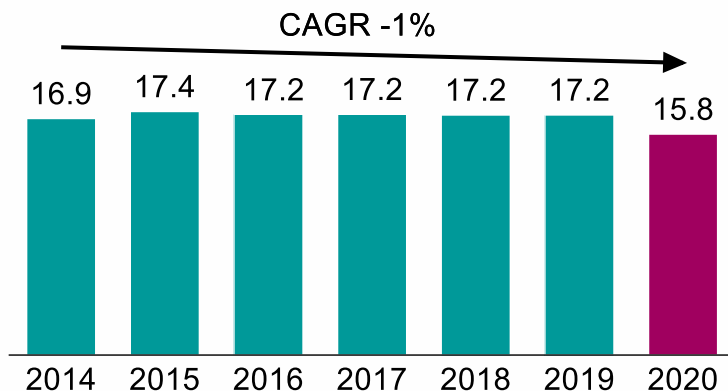
# Historical performance (2014 - 2020)

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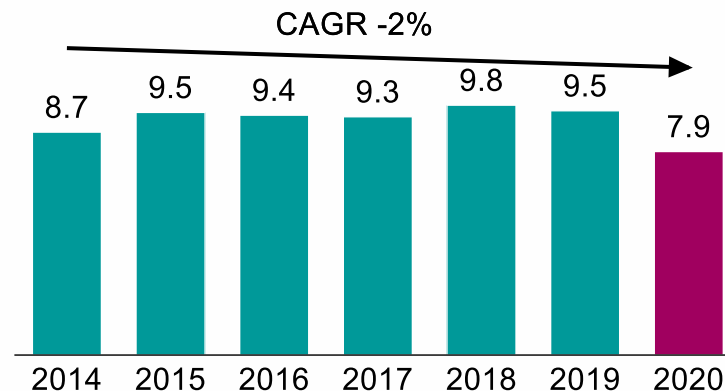
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# Results at a Glance (2014 - 2020)

## Production (M MT's)

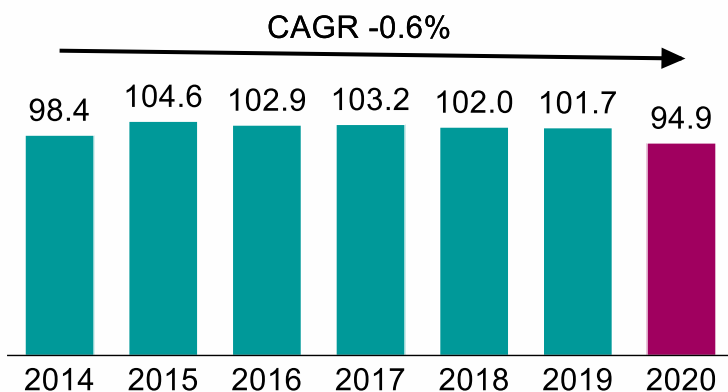


## Sales Volumes (M MT's)

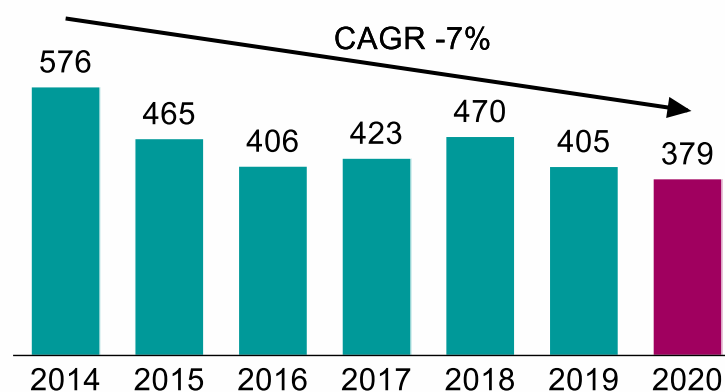


Production steadily grew from 16.9 million MT's in 2014 and peaked to reach 17.4 million MT's in 2015. The decline in production in 2020 was mainly owed to mothballing decision of certain steel facilities and Qafco's temporary gas processing arrangement ▪ The sales volume grew over the period and reached its highest in 2018. 2020 sales volumes were affected due to decline in production ▪ Selling prices were affected due to macroeconomic cycles

## Utilization (%)

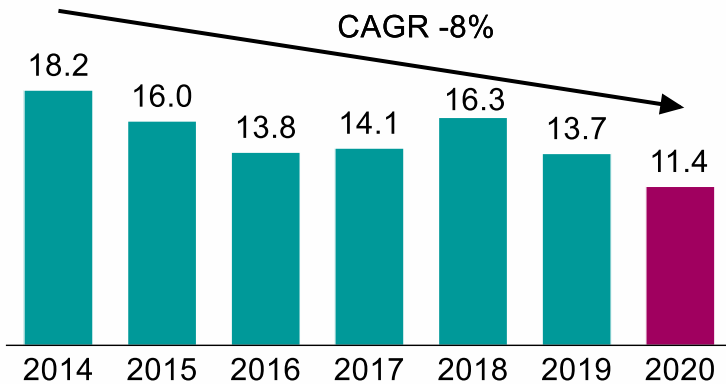


## Selling Prices (USD / MT)

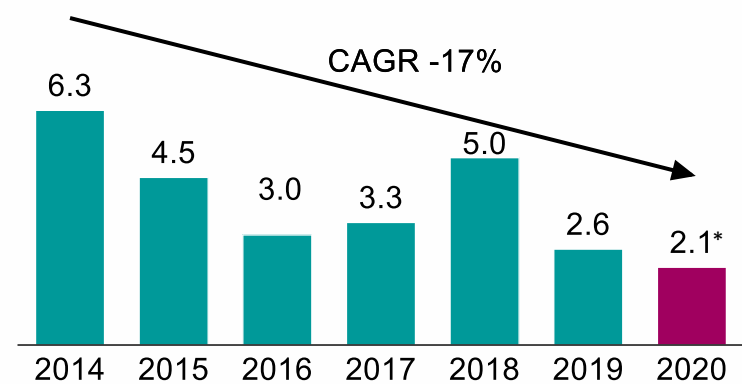


# Results at a Glance (2014 - 2020)

**Revenue (QR Bn)**

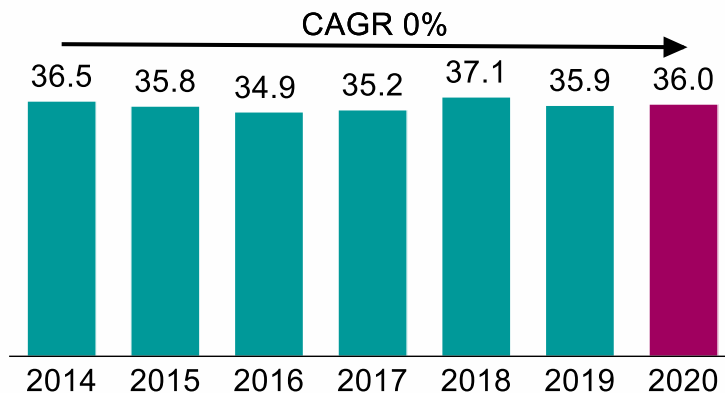


**Net income (QR Bn)**

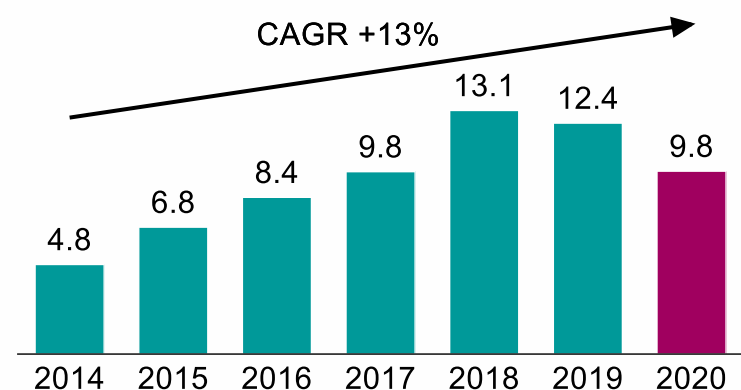


Revenue trends moved in line with the selling prices ▪ Movements in revenue together with operating costs affected the net income growth ▪ Cash across the Group continued to grow and reached its peak in 2018. Decline in net cash position as at the end of financial year 2020, was mainly attributed to acquisition of 25% stake in Qafco and 2019 dividend payments.

**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 seven (7) Directors, all of whom were appointed by the Special Shareholder, which is Qatar Petroleum. QP 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 QP 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 QP completed during 2020, only related to the operational level, where the marketing team would still be independently managed, hence, this integration will not have any impacts on Industries Qatar.
- Qatar Steel’s marketing activities has now moved back to Qatar Steel with effect from 1<sup>st</sup> September 2020, in line with the new operational strategy, where there will be very limited international component.



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

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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 IQ Group Companies.