



For release 18 February 2024

Aamal Company Q.P.S.C. (“Aamal”)
Financial Results for the year ended 31 December 2023

A robust overall performance in 2023, reflecting evolving market dynamics and the resilience of Aamal’s diverse business model

Doha, 18 February 2024 – the Board of Directors of Aamal Company Q.P.S.C. (“Aamal”), one of the region’s leading diversified companies, today announces financial results for the year ended 31 December 2023.

Financial Highlights

- **Total revenue** up 0.9% to QAR 2,077.2m (2022: QAR 2,058.9m)
- **Gross profit** up 3.1% to QAR 499.6m (2022: QAR 484.7m)
- **Net profit attributable to Aamal equity holders** up 5.7% to QAR 367.5m (2022: QAR 347.8m)
- **Reported earnings per share** increased 5.7% to QAR 0.058 (2022: QAR 0.055)
- **Net capital expenditure** down 26.1% to QAR 35.7m (2022: QAR 48.3m)
- **Gearing** increased marginally to 2.4% (2022: 2.0%)

Sheikh Faisal Bin Qassim Al Thani, Chairman of Aamal, commented:

“I am pleased to announce a robust overall performance by Aamal in 2023, with a marginal year-on-year increase in revenue and a 4.7% rise in total net profit. The excellent performance of both our Trading and Distribution segment and our Property segment was particularly noteworthy, while Aamal’s diversified strategy and strong financial position enable us to capitalise on diverse opportunities across different sectors and demonstrate notable financial resilience. The agility and innovation demonstrated by our business units in a dynamic market have contributed to Aamal’s growth during the year, a testament to the adept leadership provided by our talented team.

“Despite the 2023 slowdown in Qatar’s construction industry, stemming largely from the conclusion of FIFA-related projects, our businesses displayed resilience. Strategic initiatives were taken to address specific challenges, ensuring sustained long-term growth. While the Board evaluates several encouraging business opportunities, the Board of Directors will propose to the general assembly on 12 March 2024 to retain the profits from 2023.

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BREAKDOWN BY SEGMENT

(Notes: there may be differences due to rounding)

REVENUE

QAR m	2023	2022	Change %
Industrial Manufacturing	393.9	517.6	(23.9%)
Trading and Distribution	1,319.0	1,172.7	12.5%
Property	318.6	301.2	5.7%
Managed Services	104.3	117.9	(11.5%)
<i>less: inter-divisional revenue</i>	(58.6)	(50.5)	(16.0%)
TOTAL	2,077.2	2,058.9	0.9%

NET PROFIT

QAR m	2023	2022	Change %
Industrial Manufacturing	44.7	66.0	(32.3%)
Trading and Distribution	129.8	110.1	17.9%
Property	256.1	224.1	14.3%
Managed Services	12.9	18.0	(28.4%)
Head Office	(77.8)	(68.9)	(13.0%)
Total net profit	365.7	349.4	4.7%

SEGMENTAL REVIEW

(Note: There may be slight differences due to rounding)

TRADING AND DISTRIBUTION

QAR m	2023	2022	Change %
Revenue	1,319.0	1,172.7	12.5%
Net profit	129.8	110.1	17.9%
Net profit margin %	9.8%	9.4%	0.4 ppts

In 2023, Aamal's Trading and Distribution segment reported revenue of QAR 1,319.0 million, a significant 12.5% increase from 2022 and one that was primarily driven by higher sales in Ebn Sina Medical. Consequently, the segment's net profit increased by 17.9% to QAR 129.8 million.

Aamal Trading's strategic initiatives included introducing two new tyre brands (Frideric and Evertrax), as well as expanding the company's tyre portfolio with new sizes and increased rim coverage. Furthermore, major contracts were signed with fleets and retail chains, particularly for the supply of Bridgestone tyres, and a fully refurbished showroom was opened in Salwa Road.

Ebn Sina Medical achieved a very positive performance in the period driven by high demand from hospitals and increased demand from the private market. Ebn Sina Medical signed a large number of supply and distribution agreements in 2023 and 34 new drug applications were approved, ranging from medicines to consumer health products. While challenges are expected in 2024, the company expects to expand through the opening of new private hospitals and polyclinics, new product launches, and the acquisition of new businesses in therapeutic areas such as oncology and rare diseases.



Ebn Sina Pharmacy opened two new branches in Lusail City and Duhail-Souk Al Baladi, bringing its total number of pharmacies to six. Despite a post-FIFA drop in consumables and delays in the award of new projects, Aamal Medical had a positive year in 2023. The establishment of a Lab and Analytics division and agreements signed with SD Biosensor and Memmert were notable achievements.

Lastly, Aamal was delighted to launch Aamal Information Technology in 2023, specialising in trading computer networking equipment, web development, IT consulting, software trading, and programming. Aamal looks forward to the continued success of this venture through 2024.

PROPERTY

QAR m	2023	2022	Change %
Revenue	318.6	301.2	5.7%
Net profit - fully consolidated activities before fair values losses on investment properties	250.1	218.3	14.6%
Net underlying profit margin %	78.5%	72.5%	6.0 ppts
Share of net profit of associates and joint ventures accounted for using the equity method	6.0	5.8	3.3%
Net profit before fair value gains/(losses)	256.1	224.1	14.3%
Fair value gains/(losses) on investment properties	-	-	
Net profit	256.1	224.1	14.3%

Aamal's Property segment performed strongly in 2023, reporting revenues of QAR 318.6 million, up 5.7% year-on-year, and net profit of QAR 256.1 million, a 14.3% increase from the QAR 224.1 million recorded in 2022.

City Center Doha contributed significantly to this success, with revenue growth driven by regular rental uplifts and new leases signed following the completion of renovations. City Center Doha reached some notable milestones during the year, including the opening of 40 new shops. Despite challenges such as an oversupply of retail space and a lower population following the World Cup, the mall increased visitor numbers more than 12% in the year. In 2024 City Center Doha will continue to attract new retailers, particularly in fashion and electronics, alongside premium brands. Additionally, work has commenced for a new metro connection directly linked to the mall (expected to complete in 2024), alongside refurbishing the existing car park facilities.

Aamal Real Estate also played a significant role in the positive performance of the Property segment, contributing to both revenue and net profit growth. Higher occupancy rates, exceeding 90%, were recorded across various locations, including Souq Al Haraj, West Bay Lagoon, Mesilla, Markhiya, Al Billad, and Abu Hamour. Additionally, following recent renovations, Madinat Khalifa has reached occupancy levels above 95%.



INDUSTRIAL MANUFACTURING

QAR m	2023	2022	Change %
Revenue	393.9	517.6	(23.9%)
Net profit - fully consolidated activities	(8.6)	13.7	(162.8%)
Net underlying profit margin %	(2.2%)	2.6%	(4.8 ppts)
Share of net profit of associates and joint ventures accounted for using the equity method	53.4	52.3	1.9%
Total net profit	44.7	66.0	(32.3%)

Aamal's Industrial Manufacturing segment faced significant challenges in 2023 and reported a 23.9% decline in revenue and a 32.3% decrease in net profit, primarily due to a slowdown in the construction industry and a reduction in shipping rates.

Despite this, Aamal Readymix remained resilient through the implementation of cost optimisation initiatives and secured some significant projects with major clients. In 2024, Aamal Readymix is exploring plans to establish a production facility in Saudi Arabia, in line with the region's expected mega projects.

Aamal Cement Industries (ACI) saw a fall in revenue and net profit due to market volatility and increased competition. Despite the construction industry slowdown, there is optimism that potential government announcements of new development projects will stimulate recovery. Through the year, ACI implemented strategic initiatives, expanding its product portfolio, introducing innovative products and enhancing production capabilities. Advanced Pipes & Casts Company focused its efforts to develop its export business, while prospects for 2024 appear promising with new tenders announced by Ashghal.

It was a challenging year for Aamal Maritime Transportation Services due to reduced charter rates and in specific for older vessels. Aamal Maritime is currently exploring measures to modernise its vessel line-up and negotiate favourable charter rates for upgraded vessels. Aside from these challenges, Aamal Maritime successfully obtained ISO certifications, reflecting its commitment to high-quality management systems, environmental responsibility, and occupational health and safety standards.

In 2023, Gulf Rocks saw a decrease in market volumes but expects a revival in demand in 2024, driven by a strong project pipeline.

Frijns Steel Construction Middle East expanded its Mesaieed facilities in 2023, increasing capacity to over 24,000 tonnes per year. Additionally, to enhance its 'one-stop shop' principle, Frijns Steel developed its aluminium and stainless-steel division, as well as its cladding and roofing department, incorporating state-of-the-art technology.

In 2023, Doha Cables saw a significant surge in export sales which were up 155% year-on-year, while the successful completion of the 1600 MW Al Kharasaa Solar PV project, led to the award of two new solar projects in Ras Laffan and Mesaieed Industrial Cities (both expected to conclude in early 2024). To meet the rising



demand in the transmission and distribution sector and enhance manufacturing capabilities, Doha Cables will introduce a new CCV line machinery at its factory in Mesaieed Industrial City.

Elsewedy Cables Qatar delivered a solid performance in 2023, securing a substantial 30-month project valued at over USD 328 million from the Qatar General Electricity & Water Corporation (KAHRAMAA). Another major milestone was being awarded the first 400KV installation project for Qatar Energy LNG's NFS Project.

Looking ahead, new development projects scheduled for 2024 are expected to stimulate the Qatari construction industry.

MANAGED SERVICES

QAR m	2023	2022	Change %
Revenue	104.3	117.9	(11.5%)
Net profit - fully consolidated activities	10.3	14.3	(27.7%)
Net underlying profit margin %	9.9%	12.1%	(2.2 ppts)
Share of net profit of associates and joint ventures accounted for using the equity method	2.6	3.7	(31.3%)
Net profit	12.9	18.0	(28.4%)

Aamal's Managed Services segment demonstrated resilience, despite a 11.5% and 28.4% decline in revenue and net profit respectively, primarily due to the completion of FIFA-related service contracts. However, this was partially offset by the positive contribution of Maintenance Management Solutions, a newly added company to the segment.

Aamal Services, a major contributor to the segment, saw a drop in performance despite a strong start to 2023 when it secured four new contract wins and diversified its services. Aamal Services acquired Maintenance and Management Solutions (MMS) in September 2023, enhancing its position as a 'Facility Management Company'. MMS contributed significantly to the Managed Services segment by winning a large contract with a leading real estate developer. This acquisition has enabled Aamal Services to offer fully-fledged Facility Management services, supplying all services required by clients in their accommodation, buildings, compounds, shopping malls and more, under one management team. Despite challenges from new entrants to the market, the outlook for Aamal Services is encouraging, with a strong pipeline of 3 and 5-year client contracts already secured.

ECCO Gulf secured new contracts in various industries in 2023, including banks, transportation and hypermarkets. Despite challenges stemming from intense competition and technology integration, ECCO Gulf plans to add new lines of business with existing clients.

Aamal Travel continues to feel the benefit of the post-pandemic recovery in travel and tourism and continues to strive to reach pre-Covid performance levels. Finally, Family Entertainment Center continued its commitment to customer satisfaction by adding new attraction rides and video games, benefiting its financial performance for the year.



SUMMARY AND OUTLOOK

Mr. Rashid bin Ali Al Mansoori, Chief Executive Officer of Aamal, commented:

"Aamal's accomplishments throughout 2023 give me great pride and underline the Group's ongoing capacity to harness its resilient and diversified business model, seizing opportunities to generate value for our shareholders and benefit all our stakeholders.

"Aamal's Trading and Distribution segment excelled in 2023, with substantial revenue and net profit increases driven by heightened sales in Ebn Sina Medical. We were particularly pleased to launch Aamal Information Technology and look forward to the continued success of this venture through 2024. Our Property segment also reported a robust performance with revenues and net profit growing 5.7% and 14.3% year-on-year, respectively. City Center Doha saw rental uplifts and the opening of 40 new shops, while Aamal Real Estate recorded increased occupancy rates and is aiming for full occupancy across all key locations by the end of 2024. Aamal's Managed Services segment exhibited resilience in 2023, despite a decline in revenue and net profit primarily due to the conclusion of FIFA-related contracts. Additionally, Maintenance and Management Solutions (MMS) was acquired to by Aamal Service to enhancing its position as a 'Facility Management Company'.

"Despite the challenges faced by our Industrial Manufacturing segment, businesses within the segment demonstrated commendable resilience by implementing cost optimisation initiatives, enhancing production facilities, expanding product portfolios, exploring new markets, and successfully securing projects with major clients. Moving forward, we are optimistic about a recovery in the construction industry, anticipating potential government announcements of new development projects that will contribute to this rebound. Furthermore, businesses operating in this segment have robust pipelines for 2024.

"Aamal's unwavering commitment to our ESG drive has continued, with notable initiatives including Aamal Ride. Moving forward, we remain dedicated to discovering innovative ways to contribute value to our communities and further integrate sustainable business practices.

"This solid set of results underscores Aamal's adeptness in navigating challenges across diverse markets and sectors. Our resilience and innovative strategies position us well to explore opportunities in existing and new sectors, enhancing our business model and delivering growth for shareholders. Aligned with our diversified approach, we are actively pursuing opportunities in energy, IT, and logistics. In line with these plans, Aamal Energy was established for potential investments opportunities within this sector. We continue to invest in operational efficiency and, notably, our people — the cornerstone of our growth.

"As Qatar anticipates robust economic growth in 2024 and 2025, in line with the Qatar National Vision, Aamal stands well-prepared to leverage these opportunities. Our robust business model and financial strength mean we are in a strong position to support Qatar's growth, to benefit all our stakeholders, and to generate enduring value for our shareholders."

- ***End*** -



CONFERENCE CALL DETAILS

A conference call to discuss the results will be held on 21 February 2024 at 2.00pm Doha time. The details for the conference call are as follows:

Date: Wednesday 21 February 2024

Time: 2.00pm Doha time

Dial-In Numbers:

+1 646 876 9923 US (New York)

+1 301 715 8592 US (Washington)

+44 208 080 6592 United Kingdom

+44 330 088 5830 United Kingdom

Find your local number: <https://us06web.zoom.us/u/k6l7LJAR>

Conference ID:

<https://us06web.zoom.us/j/81606044754>

Meeting ID:

816 0604 4754

Please join the event conference 5-10 minutes prior to the start time.

FURTHER ENQUIRIES

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ABOUT AAMAL COMPANY Q.P.S.C.

Aamal is one of the Gulf region's most diversified conglomerates and has been listed on the Qatar Stock Exchange since December 2007. As at 15 Feb 2024, the Company had a market capitalisation of QAR 5.3bn (US\$1.5b).

Aamal's operations are widely diversified and comprise 32 active business units (subsidiaries and joint ventures) with market leading positions in the key industrial, retail, property, managed services, and medical equipment and pharmaceutical sectors, thereby offering investors a high quality and balanced exposure to Qatar's wider economic growth and development.

For further information on Aamal Company, please refer to the corporate website: <http://www.aamal.qa>