



For release 24 July 2023

Aamal Company Q.P.S.C. ('Aamal')
Financial Results for the six months ended 30 June 2023

A robust performance over the first six months of 2023, demonstrating the continued benefits of Aamal's diversification strategy

Doha, 24 July 2023 – the Board of Directors of Aamal Company Q.P.S.C. ("Aamal"), one of the region's leading diversified companies, today announces its financial results for the six months ended 30 June 2023.

Financial Highlights

- **Total revenue** up 9.5% to QAR 1,067.4m (H1 2022: QAR 974.4m), with a particularly strong performance by the Trading and Distribution segment
- **Gross profit** up 3.7% to QAR 238.2m (H1 2022: QAR 229.7m)
- There were no **fair value gains** on investment properties in either H1 2023 or H1 2022
- **Net profit attributable to Aamal equity holders** up 6.6% to QAR 166.8m (H1 2022: QAR 156.4m)
- **Reported earnings per share** up 6.6% to QAR 0.026 (H1 2022: QAR 0.025)
- **Net capital expenditure** decreased by QAR 15.5m to QAR 11.9m (H1 2022: QAR 27.4m)
- **Gearing** decreased to 1.70% (H1 2022: 4.1%)

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

"I am pleased to report a robust performance by Aamal during the first half of this year, with revenue and net profit up 9.5% and 5.5% year-on-year respectively. We have once again seen the benefits of our diversification strategy which so successfully underpins Aamal's resilience and growth.

"Our Trading and Distribution, Property, and Managed Services segments all reported an increase in net profit. Our Industrial Manufacturing segment has had a challenging six months with a drop in sales at Aamal Maritime Transportation Services due to declining shipping rates, as well as lower sales at Gulf Rocks and Aamal Cable. Senyar Industries, however, performed strongly, primarily due to Elsewedy Cables Qatar winning a significant 30-month contract worth over QAR 1.2 billion with Kahramaa, while Aamal Readymix secured a contract for the Ashghal project valued at more than QAR 40 million. Additionally, the contract won by Tiga Information Technologies Qatar, worth QAR 320 million over five years to provide IT solutions to the healthcare sector in Qatar, has positively impacted our Trading and Distribution segment.



“Aamal’s Property segment has shown promising growth, with new tenants welcomed to City Center and Aamal Real Estate reporting increased occupancy rates. Our Managed Services segment continues to perform well as we recover from the closures and restrictions caused by the COVID-19 pandemic. Family Entertainment and Aamal Travel were particularly affected by the pandemic, but we are seeing encouraging progress across both businesses. Moreover, Aamal Services has also secured some important contract wins, including two new contracts with the Ministry of Municipality worth QAR 45 million over three years and two new contracts with Mowasalat worth QAR 100 million over five years.

“Our diverse business strategy and proven resilience is driving Aamal’s further development, and I have no doubt that we are very well positioned to embrace the future with confidence.”

BREAKDOWN BY SEGMENT

(Notes: there may be differences due to rounding)

REVENUE

QAR m	H1 2023	H1 2022	Change
Industrial Manufacturing	226.2	292.5	(22.7%)
Trading and Distribution	675.7	516.2	30.9%
Property	154.3	141.9	8.7%
Managed Services	42.5	49.9	(14.8%)
Eliminations	(31.2)	(26.1)	(19.5%)
TOTAL	1,067.4	974.4	9.5%

NET PROFIT

QAR m	H1 2023	H1 2022	Change
Industrial Manufacturing	18.6	28.0	(33.5%)
Trading and Distribution	61.4	50.8	20.9%
Property (ex-FV losses)	122.2	115.3	6.0%
Managed Services	7.3	5.3	37.6%
Head Office	(42.2)	(40.8)	(3.4%)
TOTAL	167.3	158.5	5.5%

SEGMENTAL BREAKDOWN

(Notes: there may be differences due to rounding)

INDUSTRIAL MANUFACTURING

QAR m	H1 2023	H1 2022	Change
Revenue	226.2	292.5	(22.7%)
Net profit fully consolidated activities	(3.5)	9.8	(135.5%)
Net underlying profit margin %	(1.5%)	3.3%	(4.9 ppts)
Share of net profit of associates and JV	22.1	18.2	21.5%
Net profit	18.6	28.0	(33.5%)



The Industrial Manufacturing segment experienced a challenging six months and saw a decline in both revenue and net profit. Revenue fell by 22.7% year-on-year and net profit declined by 33.5% year-on-year, primarily due to lower deliveries and reduced shipping rates.

Aamal Readymix saw revenue decline compared to the first half of 2022, as major projects that were expected to start were postponed or are progressing more slowly than expected. Nevertheless, Aamal Readymix saw an improved performance as a result of more effective receivables management and stringent cost control measures.

Aamal Cement saw a fall in revenue and net profit, reflecting reduced market demand and a contraction in gross profit margins. Senyar Industries delivered a robust improvement in net profit, largely due to Elsewedy Cables Qatar securing a significant 30-month contract valued at over QAR 1.2 billion with Kahramaa. Ci-San, however, saw a drop in revenue and net profit due to the fall in global shipping rates which had an adverse impact on Aamal Maritime.

Moving forward, we anticipate more contract wins as new industrial projects are announced and we are also enhancing our export business through Senyar Industries.

TRADING AND DISTRIBUTION

QAR m	H1 2023	H1 2022	Change
Revenue	675.7	516.2	30.9%
Net profit	61.4	50.8	20.9%
Net underlying profit margin %	9.1%	9.8%	(0.8 ppts)

Trading and Distribution performed robustly in the first half of 2023, with a 30.9% year-on-year increase in revenue and a net profit increase of 20.9% year-on-year. This impressive growth can primarily be attributed to the substantial increase in sales at Ebn Sina Medical following the successful implementation of enhancements to its business model.

Ebn Sina Pharmacy has expanded its presence by opening a second branch in City Center Doha, increasing its presence in high footfall locations. It now has five branches in total, with a further two being prepared in Lusail City and the Duhail area and expected to open in the third quarter.

While Aamal Medical saw a fall in revenue, net profit grew due to the reversal of impairment losses on trade receivables and the impact of our cost efficiency initiatives. The first half of the year posed significant challenges for Aamal Trading which saw a fall in net profit due to promotions and increased warehousing costs.

The outlook for Trading and Distribution is promising, particularly in the healthcare sector where we continue to expand our offerings in IT healthcare solutions, expand our distribution agreements through adding new products to our portfolio, and consider new opportunities aligned with our business strategy for the sector.



PROPERTY

QAR m	H1 2023	H1 2022	Change
Revenue	154.3	141.9	8.7%
Net profit- fully consolidated activities before FV losses on investment properties	119.6	112.9	5.9%
Net underlying profit margin %	77.5%	79.5%	(2.0 ppts)
Share of net profit of associates and JV	2.6	2.4	8.9%
Net profit - before FV	122.2	115.3	6.0%
Fair value losses on investment properties	-	-	0.0%
Net profit	122.2	115.3	6.0%

The Property segment performed strongly in the first six months of 2023, with both City Center and Aamal Real Estate delivering positive results. Property revenues increased to QAR 154.3 million, up 8.7% compared to H1 2022. This performance translated into a 6.0% growth in net profit.

City Center reported increased revenue and net profit growth, driven by regular rental uplifts, the addition of new tenants, and the continued recovery from the COVID-19 pandemic.

Aamal Real Estate also saw growth in revenue and net profit as a result of improved occupancy rates and commercial property rental rates increasing during the period. The performance of ECE also contributed to the positive results of the Property segment.

Aamal has a high-quality property portfolio in prime locations which continuously generates high demand. We will continue to invest in our assets to maintain their quality, market value and attractiveness in the market.

MANAGED SERVICES

QAR m	H1 2023	H1 2022	Change
Revenue	42.5	49.9	(14.8%)
Net profit- fully consolidated activities	6.1	3.5	72.0%
Net underlying profit margin %	14.3%	7.1%	7.2 ppts
Share of net profit of associates and JV	1.2	1.7	(32.2%)
Net profit	7.3	5.3	37.6%

The Managed Services segment saw a 14.8% decline in revenue year-on-year, primarily due to the end of FIFA World Cup-related service contracts. However, the segment showed a significant improvement in net profit, increasing by 37.6% to QAR 7.3 million. Aamal Services, Family Entertainment Center and Aamal Travel all contributed to this positive result as they continued to recover from the closures and restrictions caused by the pandemic.

Aamal Services saw an increase in gross profit margin due to lower recruitment costs. Family Entertainment Center operated every day throughout the period and successfully returned to profit. Aamal Travel benefited from the fading impact of COVID-19 on the travel industry.

The outlook for the Managed Services segment is encouraging. Aamal Services has secured some important contract wins, namely two contracts worth QAR 45 million over three years with the Ministry of Municipality and two contracts



worth QAR 100 million over five years with Mowasalat. Furthermore, Aamal recently announced its intention for Aamal Services to acquire Maintenance Management Solutions.

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

“Aamal Company’s strategy continues to deliver. We are successfully capitalizing on the growth prospects presented by the Qatar National Vision 2030 and leveraging our prominent position as a key player in diverse economic sectors. By enhancing the financial robustness of specific existing ventures and acting with agility to seize a variety of new business opportunities as they arise, we are well-equipped to generate long-term value for our shareholders.

“Our business model's diversity and this resolute pursuit of organic and non-organic growth opportunities has played a pivotal role in strengthening our market position in critical sectors. In line with this, we have recently announced plans for Aamal Services to acquire Maintenance Management Solutions. We are in the process of considering a range of other opportunities and will update the market as appropriate in due course.

“I would also like to take this opportunity to reiterate Aamal’s unwavering commitment to the community. As part of our ongoing efforts, we were pleased to recently announce Aamal Ride, an exciting event this November which we very much hope will widely promote the benefits of sport and an active lifestyle.

“I am immensely proud of Aamal’s recent achievements and would like to express my gratitude to our excellent and dedicated team, to our valued partners, and to our shareholders for their continued support. Together, we will continue to drive Aamal’s success and create value for all Aamal stakeholders.”

CONFERENCE CALL DETAILS

A conference call to discuss the results will be held on Tuesday 25 July 2023 at 2.00pm Doha time. The details for the conference call are as follows:

Date: Tuesday 25 July 2023

Time: 2.00pm Doha time

Dial-In Numbers:

US (New York) +16468769923

US (Washington) +13017158592

United Kingdom +44 208 080 6592

United Kingdom +44 330 088 5830

Conference link:

<https://us06web.zoom.us/j/84932256935#>

Meeting ID:

849 3225 6935

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 23 July 2023, the Company had a market capitalisation of QAR 5.54 bn (US\$ 1.52 m).

Aamal's operations are widely diversified and comprise 29 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>