



## **Aamal Company Q.P.S.C. ('Aamal')**

### **Financial Results for the six months ended 30 June 2024**

#### **Aamal reports 12.1% increase in Net Profit**

#### **Strong set of half-year results demonstrating its resilient business model, leading market position and solid financial foundations**

**Doha, 24 July 2024** – 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 2024.

#### **Financial Highlights**

- **Total revenue of QAR 1,045.2m** (H1 2023: QAR 1,067.4m), with the slight fall driven by the completion of the Aamal Cables contract
- **Gross Profit** increased by 9.7% to QAR 261.3m (H1 2023: QAR 238.2m)
- **Net profit attributable to Aamal equity holders** up 12.9% to QAR 188.4m (H1 2023: QAR 166.8m)
- There were no **fair value gains** on investment properties in either H1 2024 or H1 2023
- **Reported earnings per share** up 12.9% to QAR 0.030 (H1 2023: QAR 0.026)
- **Net capital expenditure** increased by QAR 8.0m to QAR 19.9m (H1 2023: QAR 11.9m)
- **Gearing** decreased further to 0.69% (H1 2023: 1.7%)

#### **Sheikh Mohamed bin Faisal Bin Qassim Al Thani, Vice Chairman and Managing Director of Aamal, commented:**

"I am proud to report a strong performance by Aamal during the first half of 2024, with net profit up 12.1% year-on-year and positive results recorded across most of our segments and businesses, despite a marginal 2.1% decline in revenue year-on-year. Throughout the period, Aamal continued to showcase the resilience and agility of its diversified business model, successfully navigating changing market dynamics and steadily advancing its strategic growth plans, both organically through our existing businesses and through new investment avenues.

"Looking ahead, our diversified business model and strong balance sheet will continue to enable us to capitalize on a wide spectrum of opportunities across key sectors. In alignment with Qatar's robust economic growth and the Qatar National Vision 2030, we remain firmly committed to contributing to the nation's sustainable development and economic diversification. I am confident that Aamal will continue to deliver positive results, adding value for all our shareholders and wider stakeholders."



## **BREAKDOWN BY SEGMENT**

*(Notes: there may be differences due to rounding)*

### **REVENUE**

QAR m	H1 2024	H1 2023	Change
Industrial Manufacturing	89.2	226.2	(60.6%)
Trading and Distribution	749.2	675.7	10.9%
Property	157.8	154.3	2.3%
Managed Services	79.1	42.5	86.3%
Eliminations	(30.0)	(31.2)	3.7%
<b>TOTAL</b>	<b>1,045.2</b>	<b>1,067.4</b>	<b>(2.1%)</b>

### **NET PROFIT**

QAR m	H1 2024	H1 2023	Change
Industrial Manufacturing	26.8	18.6	43.9%
Trading and Distribution	56.3	61.4	(8.3%)
Property (ex-FV losses)	123.6	122.2	1.1%
Managed Services	9.5	7.3	31.6%
Head Office	(28.6)	(42.2)	32.1%
<b>TOTAL</b>	<b>187.6</b>	<b>167.3</b>	<b>12.1%</b>

## **SEGMENTAL BREAKDOWN**

*(Notes: there may be differences due to rounding)*

### **INDUSTRIAL MANUFACTURING**

QAR m	H1 2024	H1 2023	Change
Revenue	89.2	226.2	(60.6%)
Net profit fully consolidated activities	(2.2)	(3.5)	38.1%
Net underlying profit margin %	(2.4%)	(1.5%)	(0.9 ppts)
Share of net profit of associates and JV	28.9	22.1	31.0%
<b>Net profit</b>	<b>26.8</b>	<b>18.6</b>	<b>43.9%</b>

Our Industrial Manufacturing segment saw a 43.9% increase in net profit year-on-year, despite a 60.6% drop in revenues which was largely due to the completion of the Aamal Cables contract.

Aamal Readymix performed particularly strongly, securing several new contracts for major construction projects. In addition, the business commissioned a large-scale concrete recycling plant with capacity to recycle all concrete waste produced during factory operations, and it continues to reduce its environmental footprint. Ci-San Trading's performance was driven by stable charter occupancy and better shipping rates.

While Aamal Cement secured new contracts and is expected to perform well in the second half of 2024, it was impacted by delays in construction-related projects. Both Aamal Cement Industries and Frijns Structural Steel were also adversely impacted by intense price competition impacting margins. Frijns is extending its product and services portfolio by adding



piping and spooling services, as well as undertaking projects outside of Qatar. This will enable it to meet the needs of industrial contractors with a broader portfolio while maintaining its reputation as a high-end, reliable supplier.

Looking forward, the outlook for Industrial Manufacturing remains positive due to the successful award of major new contracts such as the most recent El Sewedy Cables project with Kaharama (valued at QAR 1 billion), as well as the potential for new contracts for Aamal Readymix.

## TRADING AND DISTRIBUTION

QAR m	H1 2024	H1 2023	Change
<b>Revenue</b>	749.2	675.7	10.9%
<b>Net profit</b>	56.3	61.4	(8.3%)
<b>Net underlying profit margin %</b>	7.5%	9.1%	(1.6 ppts)

The Trading and Distribution segment saw robust financial growth across most subsidiaries, contributing to a 10.9% increase in revenue year-on-year to QAR 749.2m. However, a subdued performance by Aamal Medical, due to a delay in contract renewals and new contract awards, saw an overall 8.3% decline in year-on-year net profit.

Ebn Sina Medical performed particularly well during the first half of the year, including signing three new distribution agreements and registering 26 new pharmaceutical drugs. It also registered and supplied an innovative new cancer drug and supplied a new Gene Therapy treatment for Duchenne muscular dystrophy.

Aamal Trading and Distribution also performed well, driven by successful promotions and price adjustments, and secured some major one to three year contracts to supply different tyres. The company is also working to expand its product offering and increase market penetration by improving after-sales support through a new digital concept, "Toolbox". Tiga Information Technology successfully completed around 60% of its project with the Ministry of Public Health, and initiated the pilot phase of this project which involves more than 15 of Qatar's largest healthcare providers.

At Aamal Medical, demand is expected to pick up from the third quarter of 2024 onwards. It has successfully signed several strategic partnerships to help modernize patient care in Qatar and extend Aamal Medical's market-leading positioning.

## PROPERTY

QAR m	H1 2024	H1 2023	Change
<b>Revenue</b>	157.8	154.3	2.3%
<b>Net profit- fully consolidated activities before FV losses on investment properties</b>	120.8	119.6	1.0%
<b>Net underlying profit margin %</b>	76.6%	77.5%	(1.0 ppts)
<b>Share of net profit of associates and JV</b>	2.8	2.6	5.7%
<b>Net profit - before FV</b>	123.6	122.2	1.1%
<b>Fair value losses on investment properties</b>	-	-	0.0%
<b>Net profit</b>	123.6	122.2	1.1%



The performance of the Property segment was largely flat in the first six months of 2024, with marginal growth in year-on-year revenue and net profit of 2.3% and 1.1%, respectively, resulting from stable occupancy and tenancy rates, as well as rental uplifts to offset cost increases.

City Center Doha continued to see strong leasing, with over 85% of space leased and new shops opening such as Gold Souk. The Mall is enjoying strong interest from leading brands and further new openings are anticipated. Aesthetic and customer experience enhancements remain on-going, such as the refurbishment of the Arabian Court and the near completion of the Metro Bridge project which will increase the Mall's accessibility. City Center will also introduce a new mobile app to make the visitor journey easier through car parking payment, movie ticket booking, and loyalty features.

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

## MANAGED SERVICES

QAR m	H1 2024	H1 2023	Change
Revenue	79.1	42.5	86.3%
Net profit- fully consolidated activities	8.3	6.1	37.3%
Net underlying profit margin %	10.5%	14.3%	(3.8 pts)
Share of net profit of associates and JV	1.2	1.2	2.2%
Net profit	9.5	7.3	31.6%

The Managed Services segment recorded a strong performance and saw both revenue and net profit increase significantly year-on-year by 86.3% and 31.6%, respectively, largely due to the acquisition of Maintenance and Management Solutions (MMS).

Aamal Services secured some high-profile contract renewals during the period and also added new clients to its portfolio. The addition of MMS is already showing positive results and enables the provision of a full range of solutions and services.

MMS has successfully achieved extensions on all major contracts and new business in hospitality, construction, banks, and other government institutions. The successful completion of a major fit-out contract for a large client in February 2024, along with smaller contracts with other clients, has seen MMS employ and set up its own fit-out team which already has a strong pipeline for the coming months.

ECCO Gulf also saw significant achievements in the first half of 2024, with its commitment to innovation and quality securing major contract wins with prominent clients across sectors such as banking, financial institutions, insurance companies, and consulting. Family Entertainment Center benefited from successful promotions, the introduction of new games and the two Eid breaks falling in the first six months of 2024, with higher footfall benefiting results.

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

"These strong results once again demonstrate Aamal's resilient business model, leading market position, and solid financial foundations.

"In Industrial Manufacturing, I would highlight the recent acquisition which sees Aamal now fully own Ci San Trading, including subsidiaries Gulf Rocks and Aamal Maritime Transportation Services. This acquisition grants us complete



control over these businesses, allowing us to further enhance Ci-San's market-leading position, expand its operations, and increase its competitiveness. Additionally, we announced the award of a major QAR 1 billion contract for El Sewedy Cables with Kahramaa, complementing our previous first quarter contract worth QAR 1.2 billion. Elsewhere, Aamal Readymix performed strongly, securing several major projects.

"In the Trading and Distribution segment, all subsidiaries saw robust financial growth with the exception of Aamal Medical which was impacted by delays to contract renewals and new contract awards. Exceptional results were achieved in the tyres and lubricants businesses, driven by successful promotions and price increases for renewing service contracts. We were particularly pleased that Ebn Sina Medical was able to introduce a new gene therapy treatment for Duchenne muscular dystrophy and that the first patient in Qatar has benefited from this.

"Our Property segment achieved marginal growth in revenues and net profit, primarily due to periodic lease adjustments and the addition of new tenants at City Center. Both Aamal Real Estate and City Center Doha maintained high occupancy rates, driven by strong and steady demand for our residential and commercial spaces. We continue to invest in our property portfolio through ongoing refurbishment and enhancement.

"Our Managed Services segment reported particularly positive results and the integration of MMS under Aamal Services has already had a positive impact, including opening up new business avenues through its Fit-Out offering which is securing a significant amount of business.

"Looking ahead, we have good reason to be optimistic about maintaining the momentum generated during the first six months of the year, and we are exploring new sectors such as Energy and IT through our recently announced subsidiaries, Aamal Energy and Aamal Information Technology."

### **CONFERENCE CALL DETAILS**

**A conference call to discuss the results will be held on Monday 29 July 2024 at 2.00pm Doha time. The details for the conference call are as follows:**

**Date: Monday 29 July 2024**  
**Time: 2.00pm Doha time**

**Conference ID:** <https://us06web.zoom.us/j/82848517531>

**Meeting ID: 828 4851 7531**

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

#### **Dial-in numbers:**

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## **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 2024, the Company had a market capitalisation of QAR [5.1]bn (US\$1.4bn).

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>