

Industries Qatar

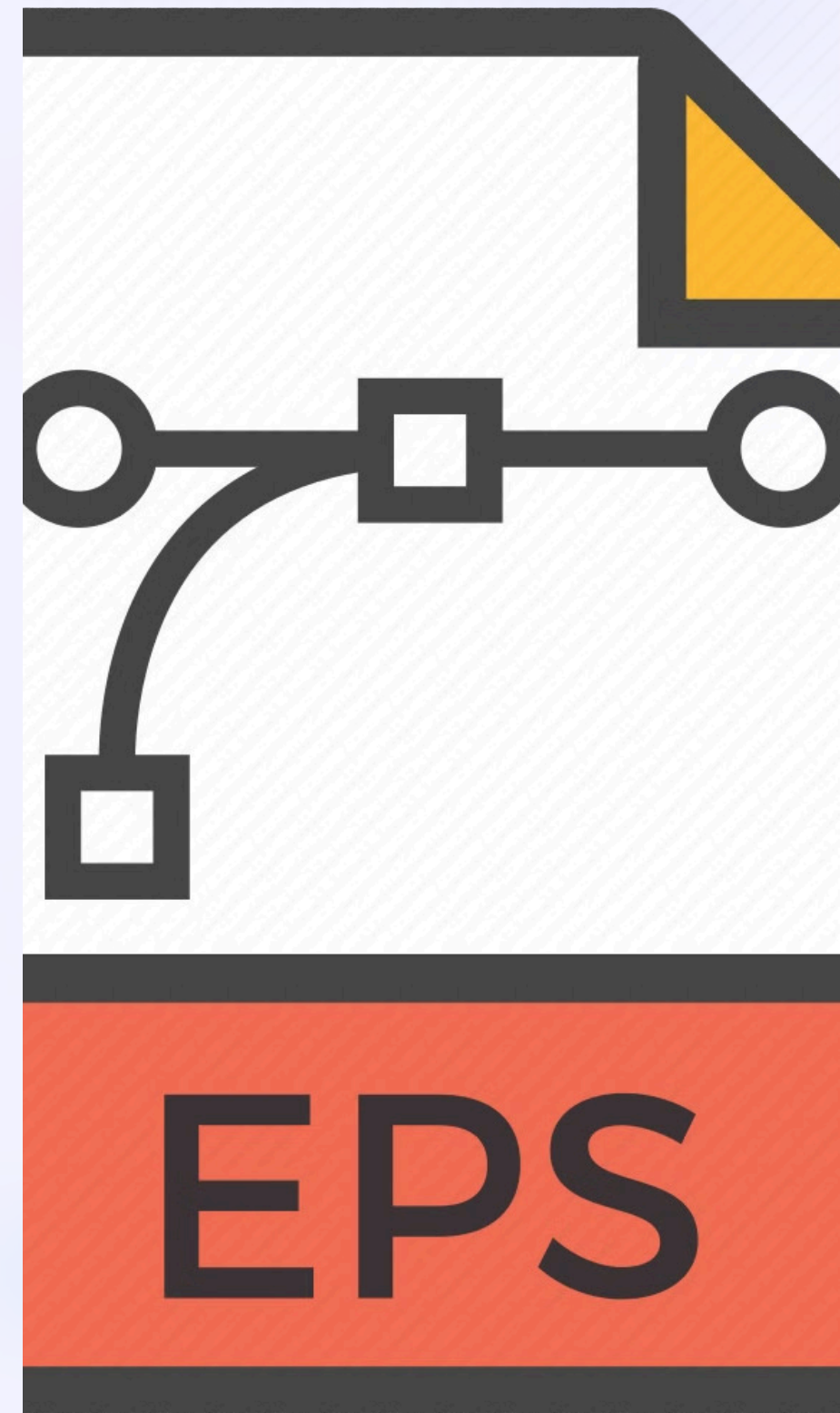
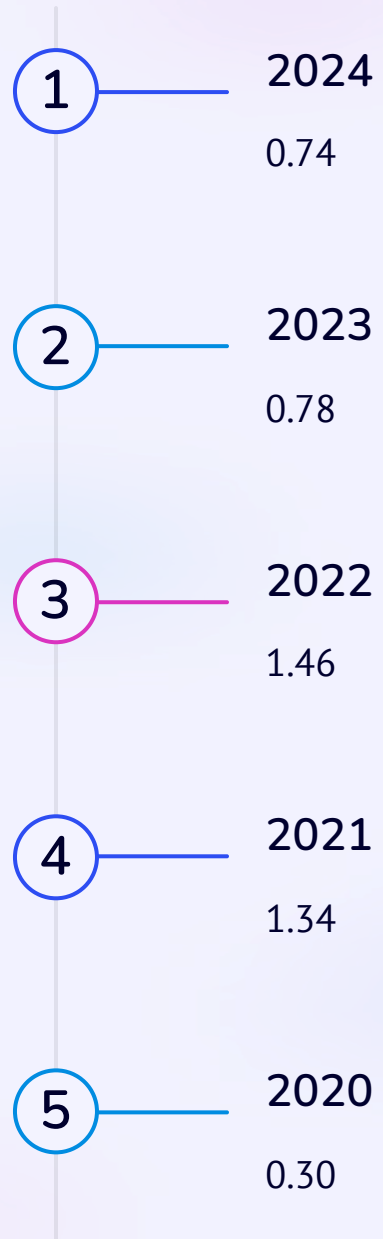
Financial Performance 2024

Industries Qatar, the leading industrial company in Qatar, reported earnings of 4,490.3 million riyals (0.74 riyals/share) by the end of 2024, marking a 5% increase from 2023.

Ramzi Qasmieh



EPS Trend Over 5 Years



Sales and Price Impact

Sales Volume Increase

Sales volumes experienced a year-on-year increase of approximately 2.3%

Price Decline Impact

The price decline of around 3.2% during the same period had a negative impact on profits

Factors Influencing Demand

- Monetary and Financial Policies
- Regulatory Authorities
- Pessimistic Economic Outlooks
- Stricter Monetary Policies
- Decreased Demand for Goods and Services



Annual Sales Value Increase

7.7% Increase

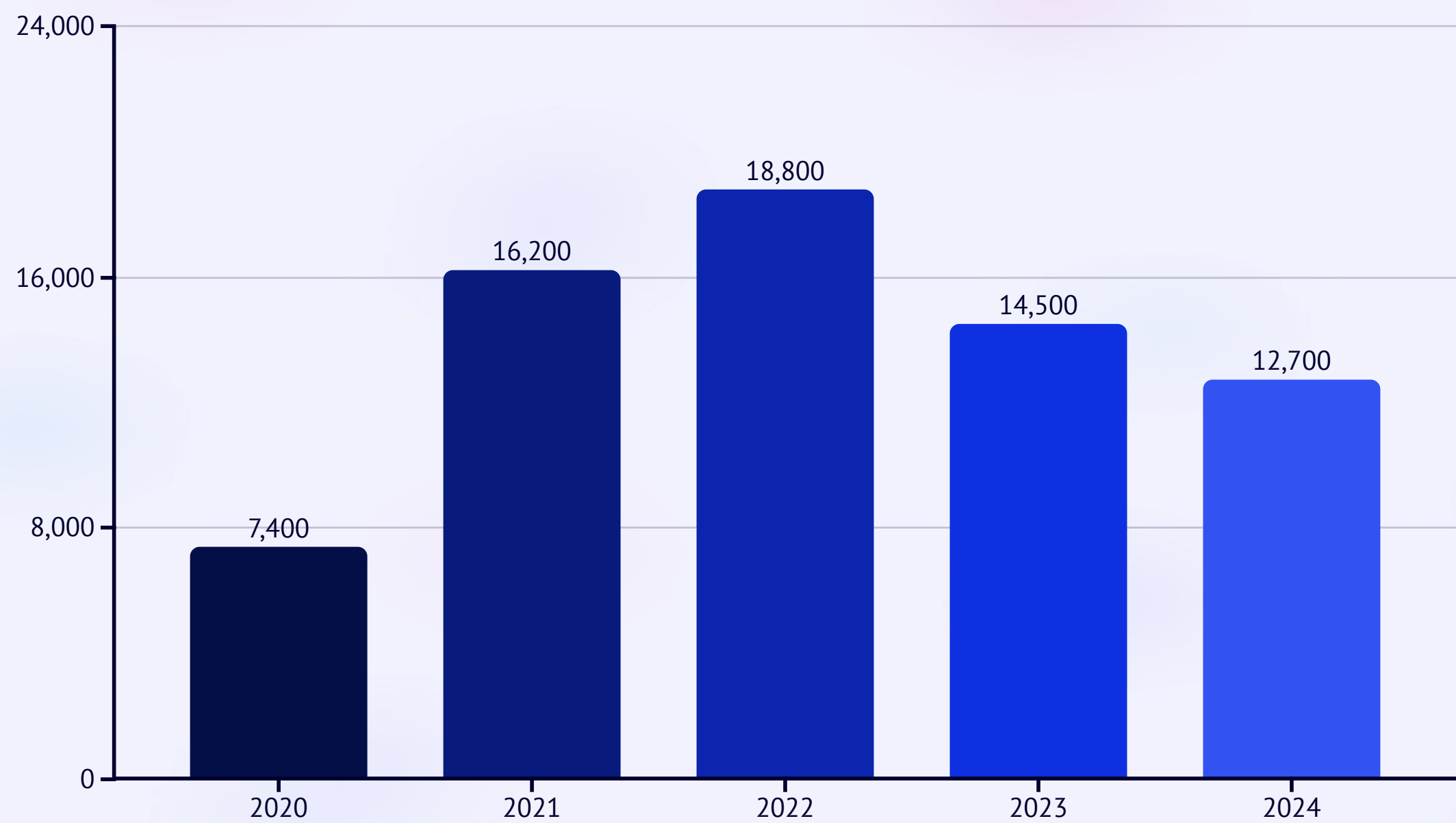
Annual sales value increased
by approximately 7.7%

MTPE Production

The company's initiation of
MTPE production positively
impacted revenues

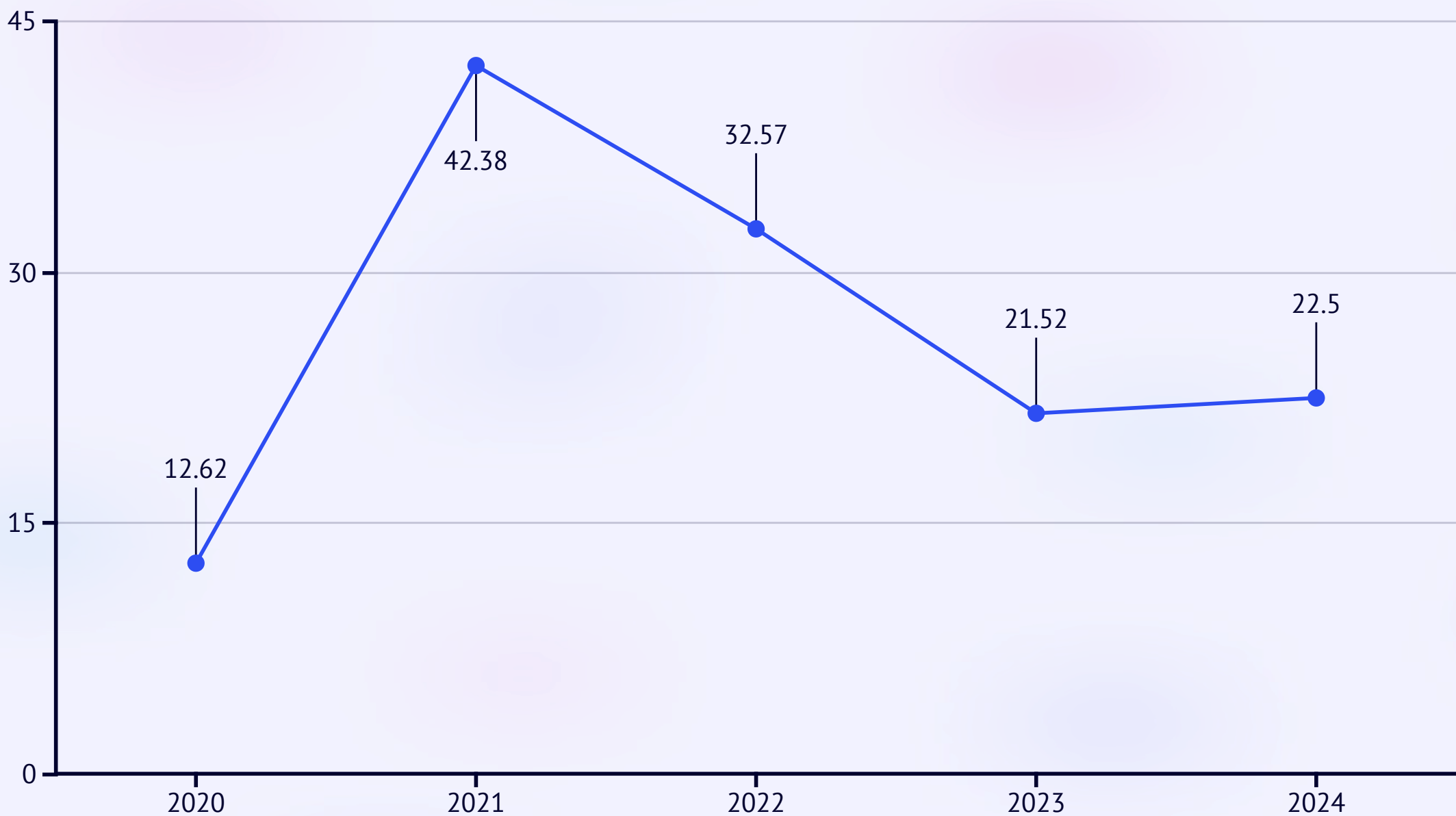
Revenues Over 5 Years (QARM)

Revenue trend analysis from 2020 to 2024 (in millions QAR)



Revenue has shown significant fluctuation over the five-year period, peaking at QAR 18.8B in 2022, up from the lowest point of QAR 7.4B in 2020. The most recent year (2024) closed at QAR 12.7B, showing a decrease of QAR 1.8B from 2023's QAR 14.5B. The overall trend shows a dramatic increase from 2020 to 2022 (+154%), followed by a gradual decline in 2023-2024 (-32% from peak).

Gross Profit Margin Trend

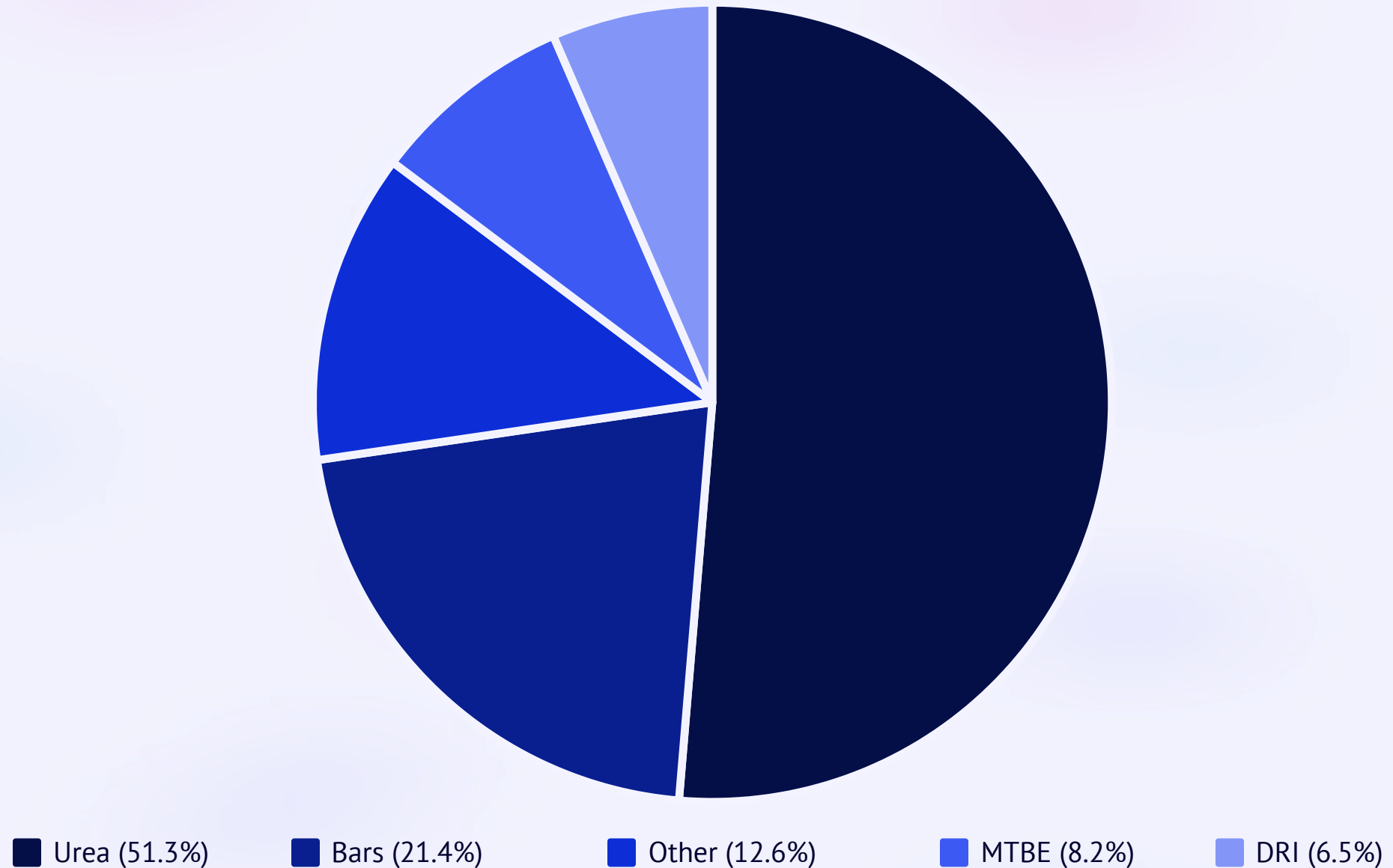


The gross profit margin peaked in 2021 at 42.38%, followed by a decline in subsequent years, with a slight recovery to 22.50% in 2024.

Key Points:

- Peak (2021): 42.38%
- Lowest (2020): 12.62%
- Current (2024): 22.50% (+0.98% from 2023)

Revenue Disaggregation



Urea represents the largest revenue segment at QAR 6,494.7M (51.3% of total revenue), followed by Bars at QAR 2,701.7M (21.4%). Other products contribute QAR 1,590M (12.6%), while MTBE and DRI account for QAR 1,041.2M (8.2%) and QAR 824.7M (6.5%) respectively.



Joint Ventures Performance

7.4% Annual Decline

The company's portion of profits derived from joint ventures, specifically its stakes in QAPCO and QAFAC, experienced an annual decline of approximately 7.4%

QAFAC Profit Decrease

This reduction is attributed to a significant decrease of around 48% in QAFAC's profits

Financial Provisions and Reversals

1

2023 Provision Transfer

In 2023, the company transferred about 610 million riyals from provisions to profits

2

2024 Provision Reversal

In 2024, it reversed a 142-million-riyal provision related to a financial guarantee for an affiliate, classified as "other revenues"

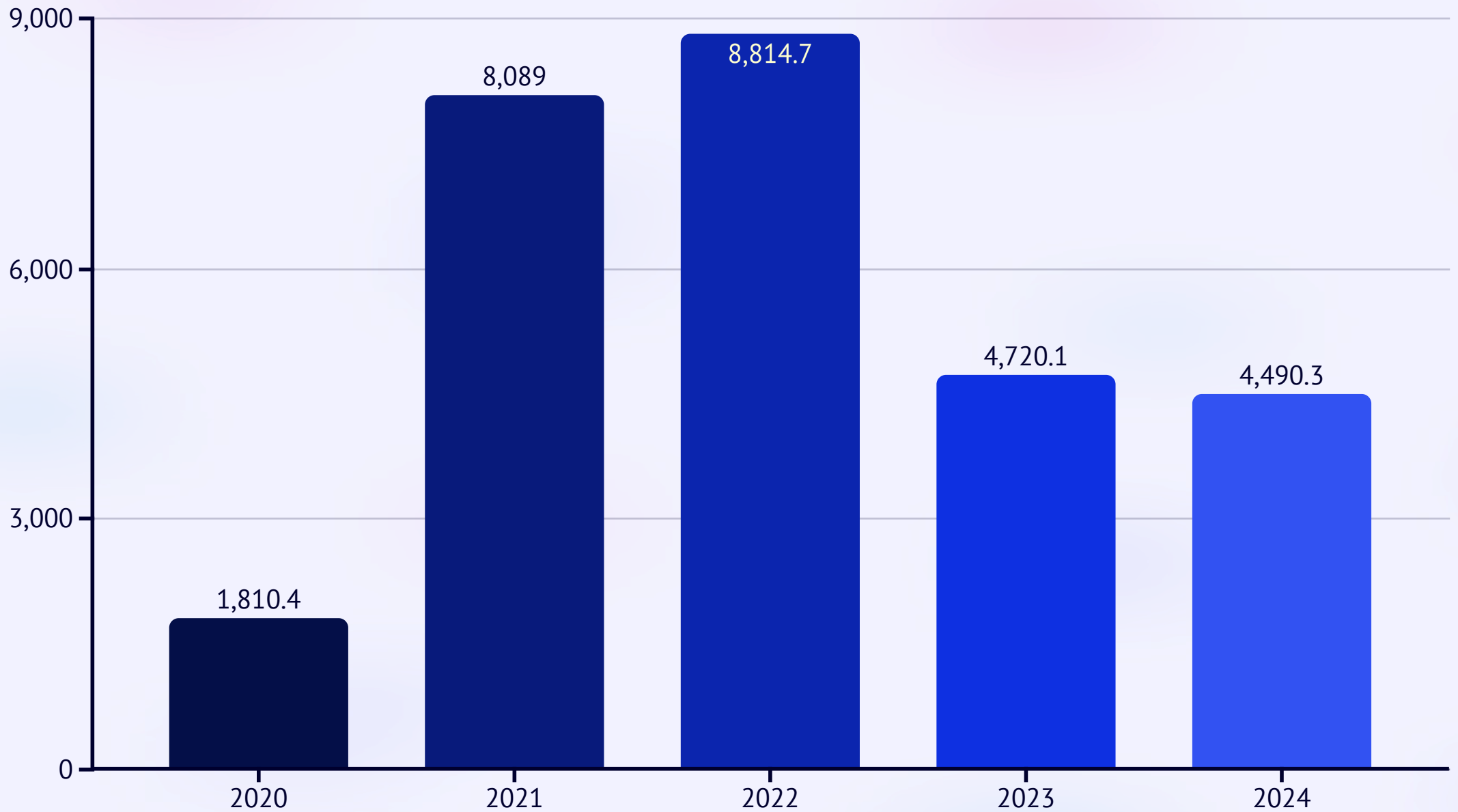
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Revaluation Profits

This section also included 326 million riyals in revaluation profits, a significant change from 2023, when the company faced other losses of around 39 million riyals



Net Income Over 5 Years



Net income peaked in 2022 at QAR 8,814.7 million, showing significant growth from 2020, followed by a decline in subsequent years.



Financial Position



Cash Reserves

The company holds cash reserves of around 11 billion riyals, which accounts for 26% of its total assets



Debt Status

The company has no outstanding debt

DIVIDEND

Dividend Distribution

0.43

Second-Half Dividend

Per share dividend proposed by Board of
Directors

0.74

Total Annual Dividend

Per share for the full year 2024

100%

Distribution Rate

Of 2024 net profits, representing 74% of
nominal share value

The proposed dividend distribution demonstrates the company's commitment to shareholder returns, with a complete distribution of 2024 net profits.

Dividend Per Share (DPS) Trend

1.10

Peak DPS (2022)

Highest dividend per share recorded

0.74

Current DPS (2024)

Latest dividend per share

5-Year DPS Evolution

- Started at 0.33 QAR in 2020
- Increased to 1.00 QAR in 2021
- Peaked at 1.10 QAR in 2022
- Declined to 0.78 QAR in 2023
- Further decreased to 0.74 QAR in 2024

The DPS shows a clear trajectory with significant growth from 2020 to 2022, followed by a gradual decline in subsequent years.

Fourth Quarter Financial Results (5 Years)



It is observed that the profits for the fourth quarter of 2024 are the lowest recorded since 2020.

Quarterly Net Income (2023-2024)

970M

Q4 2024

Million QAR

1.2B

Q3 2024

Million QAR

1.1B

Q2 2024

Million QAR

1.3B

Q1 2024

Million QAR

1.4B

Q4 2023

Million QAR

1.2B

Q3 2023

Million QAR

922M

Q2 2023

Million QAR

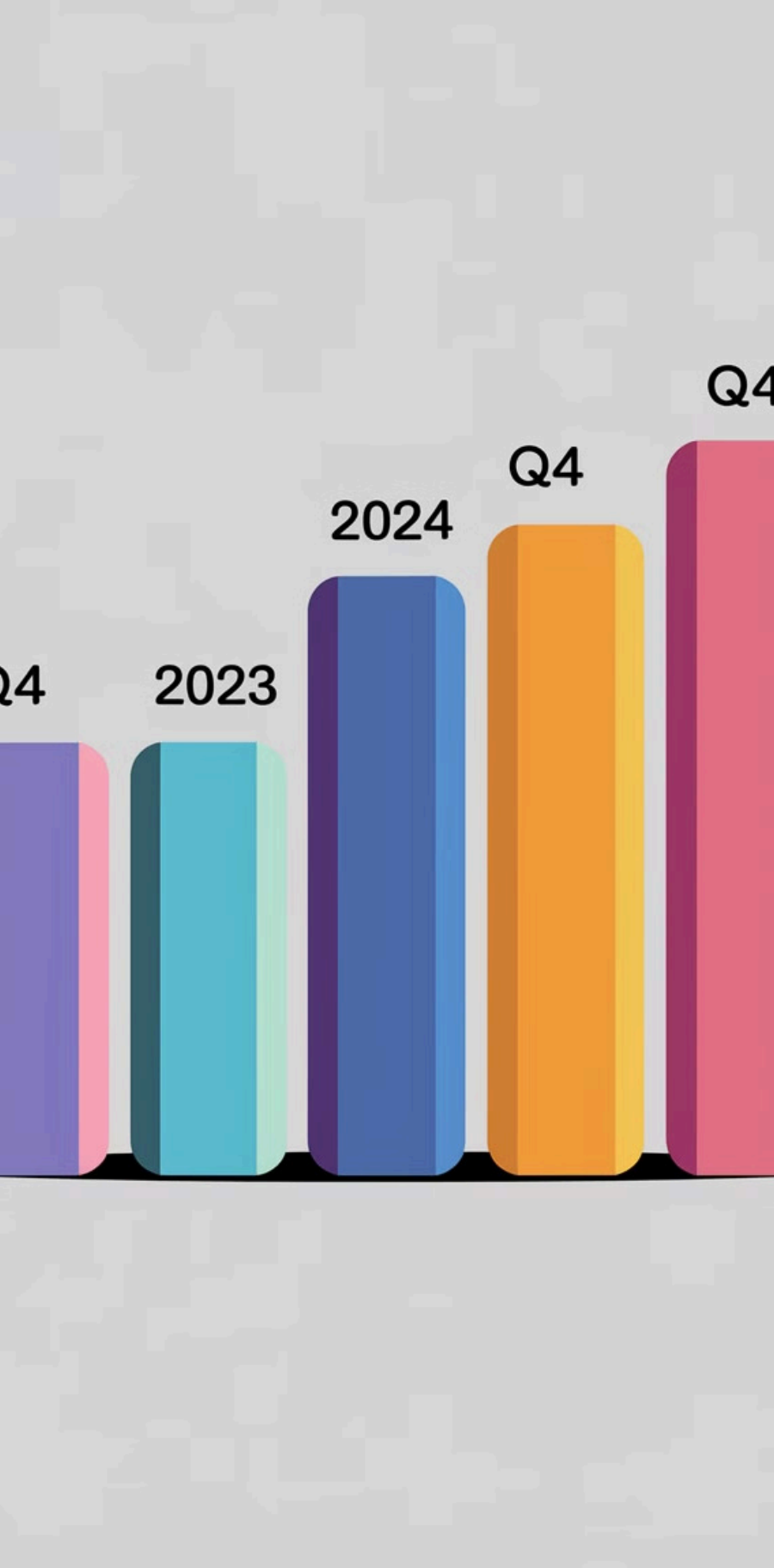
1.2B

Q1 2023

Million QAR

Key Financial Performance Indicators (Q4 2024 vs Q3 2024)

Indicator	4Q-24	3Q-24	Variance (%)
Average selling price (\$/MT)	472	462	+2%
Sales volumes (MT' 000)	2,444	2,679	-9%
Revenue (QR' billion)	4.1	4.4	-7%
EBITDA (QR' billion)	1.3	1.4	-19%
Net profit (QR' billion)	1.0	1.2	-18%
Earnings per share (QR)	0.16	0.20	-18%
EBITDA margin (%)	34%	39%	-



Analysis of IQ's Net Earnings (Q4 2024 vs Q4 2023)

Average selling price (\$/MT)	472	482	-2%
Sales volumes (MT' 000)	2,444	2,309	+6%
Revenue (QR' billion)	4.1	4.0	+4%
EBITDA (QR' billion)	1.4	1.4	0%
Net profit (QR' billion)	1.0	1.4	-32%
Earnings per share (QR)	0.16	0.24	-32%
EBITDA margin (%)	34%	35%	-

Q4 2024 Performance Analysis

Despite higher sales volumes, Q4 2024 saw declining net earnings and operating profits, primarily impacted by increased costs and the absence of previous year's impairment reversal benefits.

1

Higher Operating Costs

Increased sales-related expenses, higher feedstock costs, raw material costs, and elevated overhead expenses

2

Impact on Operating Performance

Operating profit and margins declined despite increased sales volumes and slight revenue growth

3

Absence of One-Time Benefits

No QR 610 million impairment reversal benefit that was present in the steel sector last year

4

Final Performance Outcome

Significant decline in IQ's net earnings compared to Q4 2023 despite higher sales volumes

Valuation

Key Metrics

Market Capitalization: 84.1B

Enterprise Value: 70.87B

Free-Float: 45%

Price Ratios

P/E Ratio 2024: 17.9x

P/E Ratio 2025*: 17.4x

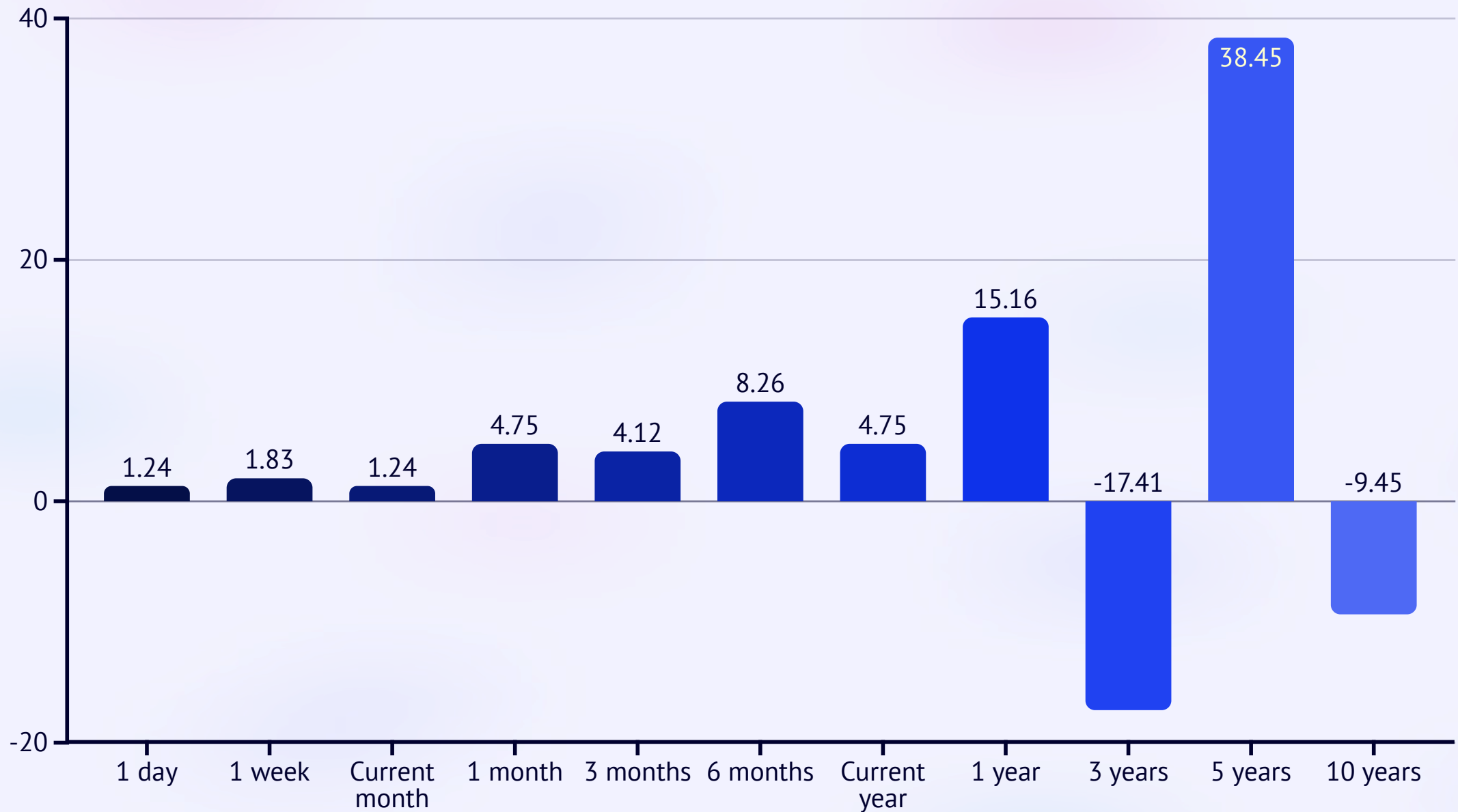
Enterprise Metrics

EV/Sales 2024: 5.53x

Yield 2024: 3.24%

* Projected values

Stock Performance %



The stock shows strong positive performance in the short to medium term, with notable gains over 5 years (+38.45%), though experiencing declines over 3-year (-17.41%) and 10-year (-9.45%) periods.

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