



# A robust performance demonstrating the benefits of Aamal's diversification strategy

Presentation of financial results for the six months ended 30 June 2023

25<sup>th</sup> July 2023



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- ❑ H1 2023 Highlights
- ❑ Financial Summary
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  - *Group Results – Revenue and Net Profit by Segment*
  - *Aamal's Investment Case*

## H1 2023 HIGHLIGHTS

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### ❑ **A robust performance with revenue and net profit growth of 9.5% and 5.5% respectively**

- ❖ Net profit growth across Aamal's Trading and Distribution, Property, and Managed Services segments
- ❖ Despite a challenging H1 for Industrial Manufacturing, the segment achieved notable operational and commercial milestones
  - Performance impacted by declining shipping rates at Aamal Maritime Transportation Services and lower sales at Gulf Rocks and Aamal Cables; new contract wins for Senyar Industries and Aamal Readymix
- ❖ Promising growth seen across the Property segment; continuing post-pandemic recovery across Managed Services

### ❑ **Strengthened financial resilience, with gearing reduced to 1.7%**

### ❑ **Continued firm commitment by to Aamal's communities**

- ❖ Recently announced 'Aamal Ride', promoting the benefits of sport and an active lifestyle

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## FINANCIAL SUMMARY

QARm	H1 2023	H1 2022	% change
Revenue	1,067.4	974.4	9.5%
Gross profit	238.2	229.7	3.7%
Fair value gains/(losses) on investment properties	-	-	-
Net profit attributable to Aamal shareholders	166.8	156.4	6.6%
Earnings per share (QR)	0.026	0.025	6.6%
Capital expenditure	11.9	27.4	(56.5%)
Gearing	1.7%	4.1%	(2.4ppts)

Note: there may be slight differences due to rounding.

- Financial performance driven by
  - A number of new contract wins: Elsewedy Cables Qatar with Kahramaa; Aamal Services with the Ministry of Municipality and with Mowasalat; Tiga Information Technologies Qatar with the Ministry of Public Health)
  - A particularly strong performance by Ebn Sina Medical
  - Continued easing of pandemic-related restrictions
- Improved financial resilience, with gearing reduced to 1.7%
  - Borrowings down 15.5%
  - Eliminated currency risk
- Capex reduction attributable to the completion of renovation work at City Center Doha

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## INDUSTRIAL MANUFACTURING

QARm	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%	(4.9ppts)
Share of net profit of associates and joint ventures accounted for using the equity method	22.1	18.2	21.5%
Total net profit	18.6	28.0	(33.5%)

*Note: there may be slight differences due to rounding.*

- **Performance impacted by declining shipping rates and reduced sales**
  - ❖ Declining shipping rates at Aamal Maritime Transportation Services
  - ❖ Reduced sales at Gulf Rocks and Aamal Cables
- **Improved performance at Aamal Readymix, despite a slowdown in the project pipeline**
  - ❖ Effective receivables management and prudent cost control measures
- **Encouraging near term outlook with significant new contracts secured in H1 2023**
  - ❖ 30-month contract valued at over QAR 1.2bn awarded to Elsewedy Cables Qatar by Kahramaa
  - ❖ QAR 40m contract secured by Aamal Readymix for the Ashgal project
  - ❖ Continued opportunities stemming from the Qatar National Vision 2030

## TRADING AND DISTRIBUTION

QARm	H1 2023	H1 2022	% change
Revenue	675.7	516.2	30.9%
Net profit	61.4	50.8	20.9%
Net profit margin %	9.1%	9.8%	(0.8ppts)

*Note: there may be slight differences due to rounding.*

- **Sales increased substantially at Ebn Sina Medical following successful business model enhancements**
  - ❖ Second branch opened at City Center (a high footfall location)
  - ❖ Two further branches expected to open Q3 2023
- **Net profit growth recorded at Aamal Medical**
  - ❖ Reversal of impairment losses on trade receivables
  - ❖ Impact of cost efficiency initiatives
- **A fall in net profit for Aamal Trading due to promotions and challenges with increased warehousing costs**
- **Positive outlook as we continue to expand IT healthcare solutions offering and our distribution agreements**



QARm	H1 2023	H1 2022	% change
Revenue	154.3	141.9	8.7%
Net profit - fully consolidated activities	119.6	112.9	5.9%
Net underlying profit margin %	77.5%	79.5%	(2.0ppts)
Share of net profit of associates and joint ventures accounted for using the equity method	2.6	2.4	8.9%
Total net profit	122.2	115.3	6.0%

Note: there may be slight differences due to rounding.

- **Robust performance with City Center, Aamal Real Estate and ECE all delivering strong results**
- **Solid revenue and net profit growth at City Center**
  - ❖ Regular rental uplifts
  - ❖ Increased occupancy rates
  - ❖ Continued recovery from the COVID-19 pandemic
- **Occupancy rates at Aamal Real Estate increased above 95% during the period; increase in commercial property rental rates**

## MANAGED SERVICES

QARm	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%	7.2PPTS
Share of net profit of associates and joint ventures accounted for using the equity method	1.2	1.7	(32.2%)
Total net profit	7.3	5.3	37.6%

*Note: there may be slight differences due to rounding.*

- **YoY revenue growth impacted as FIFA World Cup-related service contracts came to an end**
- **Net profit growth supported by continued recovery from the pandemic**
  - ❖ Family Entertainment Center returned to profit after operating at 100% capacity throughout the period
  - ❖ Aamal Travel benefited from the fading impact of COVID-19 on the travel industry
- **Gross profit margin improved at Aamal Services due to reduced recruitment costs**
- **Positive outlook on the back of new contract wins and inorganic growth opportunities**
  - ❖ Awarded two contracts worth QAR 45 million over three years by the Ministry of Municipality
  - ❖ Two contracts worth QAR 100 million over five years secured with Mowasalat
  - ❖ Acquisition of Maintenance Management Solutions

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## SUMMARY AND OUTLOOK

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- ❑ **A very solid first half of the year, with Aamal well-positioned to exploit clear growth opportunities in 2023 and beyond**
  - ❑ Prominent position as a key player in diverse economic sectors
  - ❑ Growth prospects presented by the Qatar National Vision 2030
  - ❑ Many promising opportunities across all four segments
  
- ❑ **Aamal remains resolute in our pursuit of organic and non-organic growth opportunities which strengthen market positioning and increase diversification**
  - ❑ Significant opportunities in the healthcare sector (expansion of offerings in IT healthcare solutions and increasing distribution agreements)
  - ❑ Significant potential to grow export business through Senyar Industries
  - ❑ Aamal Services to acquire Maintenance Management Solutions

## ANY FURTHER QUESTIONS?



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## GROUP RESULTS (BY SEGMENT)

### REVENUE

QARm	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%)
<i>less: inter-divisional revenue</i>	<i>(31.2)</i>	<i>(26.1)</i>	<i>(19.5%)</i>
<b>Total</b>	<b>1,067.4</b>	<b>974.4</b>	<b>9.5%</b>

### NET PROFIT

QARm	Net profit H1 2023	Net profit H1 2022	Change %	Margin (%) H1 2023	Margin (%) H1 2022
Industrial Manufacturing	<b>18.6</b>	28.0	(33.5%)	<b>8.2%</b>	9.6%
Trading and Distribution	<b>61.4</b>	50.8	20.9%	<b>9.1%</b>	9.8%
Property (ex-FV gains)	<b>122.2</b>	115.3	6.0%	<b>79.2%</b>	81.2%
Managed Services	<b>7.3</b>	5.3	37.6%	<b>17.1%</b>	10.6%
<i>less: Head Office costs</i>	<i>(42.2)</i>	<i>(40.8)</i>	<i>(3.4%)</i>	-	-
<b>Total</b>	<b>167.3</b>	<b>158.5</b>	<b>5.5%</b>	<b>15.7%</b>	<b>16.2%</b>

Note: there may be slight differences due to rounding.

"Strength Through Diversity"

## DELIVERING ON OUR INVESTMENT CASE

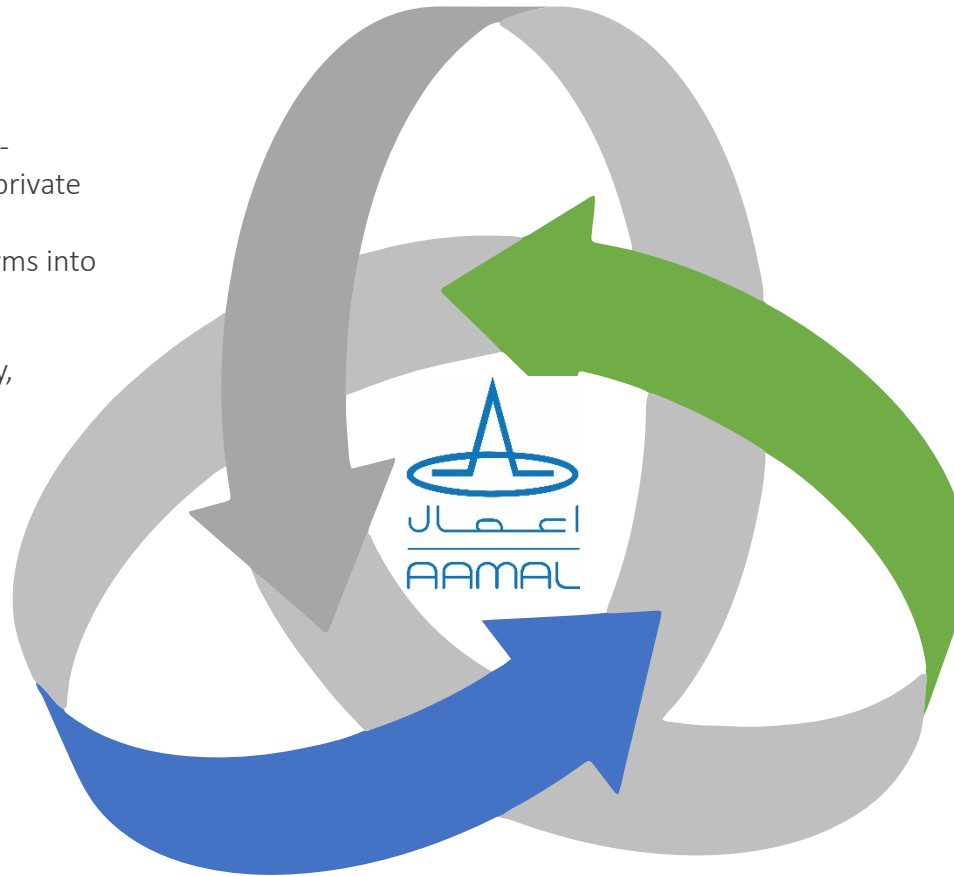
One of the largest, most diversified companies in Qatar offering investors high quality and balanced exposure to Qatar's economic growth and development

### Strength through diversity

- Diversified (across 29 active business units) for balanced exposure across the Qatari economy
- Market leading positions in key growth sectors - uniquely positioned to benefit from increased private and public sector demand, particularly for infrastructure development, as Qatar's transforms into an advanced and self-sustaining economy
- Each subsidiary managed as a standalone entity, optimizing operational focus

### Financial strength

- Strongly capitalised with low financial gearing and a net cash position
- Readily available access to debt capital markets
- Supportive backing from Aamal's major shareholders
- One of the highest dividend yield payers amongst QSE listed companies



### Operating in an attractive, growing market

- Qatar is one of the world's fastest growing and most successful economies
- Strong market positions in key high-growth sectors
- Significant growth opportunities

### Experienced, proven senior management team

- Highly effective, agile corporate decision-making
- Ability to successfully partner with leading international companies
- Talented and motivated managers with significant experience



# Shukran