



# A strong start to the year with impressive revenue and profit growth

Presentation of financial results for the first quarter ended 31<sup>st</sup> March 2023

20<sup>th</sup> April 2023



# Contents

- ❑ Q1 2023 Highlights
- ❑ Financial Summary
- ❑ Segmental Review
- ❑ Summary and Outlook
- ❑ Appendix
  - *Group Results – Revenue and Net Profit by Segment*
  - *Aamal's Investment Case*

## Q1 2023 HIGHLIGHTS

- ❑ **A strong start to the year, with revenue and total net profit up by 12.8% and 16.8%, respectively, driven by Aamal's:**
  - Diversified and resilient business model
  - Clear strategy to capitalize on opportunities
  - Solid financial position and robust balance sheet
- ❑ **Particularly positive performances by Trading & Distribution and Property segments**
  - Trading & Distribution: increased demand for healthcare services
  - Property: new leases and rental increases drove portfolio performance
  - Industrial Manufacturing: significant new contract wins
  - Managed Services: return to profitability driven by lifting of Covid-related restrictions and important new contract wins
- ❑ **Positive outlook for remainder of 2023 and beyond**
  - Significant growth and expansion opportunities
  - Qatar expected to be the fastest growing economy in GCC in 2023/24 (World Bank)
  - Qatar National Vision 2030

# Contents

- ❑ Q1 2023 Highlights
- ❑ **Financial Summary**
- ❑ Segmental Review
- ❑ Summary and Outlook
- ❑ Appendix
  - *Group Results – Revenue and Net Profit by Segment*
  - *Aamal's Investment Case*

## FINANCIAL SUMMARY

QARm	Q1 2023	Q1 2022	% change
Revenue	511.4	453.5	12.8%
Gross profit	120.2	104.9	14.6%
Fair value gains/(losses) on investment properties	-	-	-
Net profit attributable to Aamal shareholders	87.5	73.6	18.8%
Earnings per share (QR)	0.014	0.012	18.8%
Capital expenditure	6.9	14.3	(51.7%)
Gearing	2.57%	4.09%	

- Performance driven by:
  - Strong performance of Trading & Distribution and Property segments
  - Trading and Distribution revenue up by 36.4%, with Ebn Sina Medical and Aamal Trading performing particularly well
  - Property segment revenue up by 11.4%; increased rental rates and new leases signed at CCD and Aamal Real Estate
- Sustained financial strength and disciplined cost control
  - Gearing remains low at 2.6% (Q1 2022: 4.1%)

Note: there may be slight differences due to rounding.

# Contents

- ❑ Q1 2023 Highlights
- ❑ Financial Summary
- ❑ **Segmental Review**
- ❑ Summary and Outlook
- ❑ Appendix
  - *Group Results – Revenue and Net Profit by Segment*
  - *Aamal's Investment Case*

## INDUSTRIAL MANUFACTURING

QARm	Q1 2023	Q1 2022	% change
Revenue	109.1	139.2	(21.6%)
Net profit - fully consolidated activities	(3.3)	3.8	(185.5%)
Net underlying profit margin %	(3.0%)	2.8%	(5.8 pts)
Share of net profit of associates and joint ventures accounted for using the equity method	11.9	6.2	91.0%
Total net profit	8.6	10.1	(14.6%)

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

- **Significant new contract wins: Elsewedy Cables' QAR 1.2bn contract with Kahramaa; Aamal Readymix's QAR 40m contract for the Ashghal project**
- **Supply chain delays at Aamal Cement and Aamal Readymix impacted revenue and profitability**
- **Aamal Maritime Transportation impacted by lower global shipping rates**
- **Notable new infrastructure projects across the region underpin positive outlook for 2023 and beyond**

## TRADING AND DISTRIBUTION

QARm	Q1 2023	Q1 2022	% change
Revenue	324.4	237.8	36.4%
Net profit	34.2	23.1	47.9%
Net profit margin %	10.5%	9.7%	0.8 ppts

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

- **Increased demand for products and services of Aamal Medical and Ebn Sina Medical drove revenue and profit growth**
- **Improved performance at Aamal Trading**
  - ❖ Aggressive stock push marketing campaign for Bridgestone tyres, Davanti Fulda and Veltour Tyres
  - ❖ Supply and Service to Q-Jet (Qatar Jet Fuel Company) during Q1 2023
- **Significant opportunities across the healthcare sector**
  - ❖ Focused on developing healthcare offering to further capitalize on these



QARm	Q1 2023	Q1 2022	% change
Revenue	75.1	67.4	11.4%
Net profit - fully consolidated activities	59.7	52.1	14.6%
Net underlying profit margin %	79.6%	77.3%	2.3 pts
Share of net profit of associates and joint ventures accounted for using the equity method	1.3	1.1	13.3%
Total net profit	61.0	53.2	14.6%

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

- **Positive portfolio performance driven by:**
  - ❖ Rental increases and new store openings at City Center Doha
  - ❖ Increased occupancy levels and rental uplift at Aamal Real Estate
- **2023 will see more store openings and expansion of the tenant mix at City Center Doha**

## MANAGED SERVICES

QARm	Q1 2023	Q1 2022	% change
Revenue	22.8	22.1	3.5%
Net profit - fully consolidated activities	3.8	1.3	196.3%
Net underlying profit margin %	16.8%	5.9%	10.9 pts
Share of net profit of associates and joint ventures accounted for using the equity method	0.6	0.8	(21.4%)
Total net profit	4.5	2.1	114.2%

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

- **Continued improvement in revenue and net profit performance due to:**
  - ❖ Significant new contracts secured for Aamal Services and ECCO Gulf
  - ❖ Easing of pandemic-related restrictions on Aamal's entertainment and travel businesses
  - ❖ New rides at Family Entertainment Center
- **2023 will focus on securing new contracts and diversifying the client base at ECCO Gulf and Aamal Services**

# Contents

- ❑ Q1 2023 Highlights
- ❑ Financial Summary
- ❑ Segmental Review
- ❑ Summary and Outlook
- ❑ Appendix
  - *Group Results – Revenue and Net Profit by Segment*
  - *Aamal's Investment Case*

## SUMMARY AND OUTLOOK

---

- **Strong start to the year with impressive growth in revenue and profit, driven by particularly robust performances from Trading & Distribution and Property segments**
- **Diversity of business model and financial strength enables Aamal to create long-term shareholder value**
- **Plans to diversify further into new sectors: IT and Telecoms; Agriculture; Energy; Healthcare; Automation; Aviation**
- **Looking forward with confidence to the remainder of 2023 and to seizing the significant growth opportunities generated by:**
  - ❖ Qatar National Vision 2030
  - ❖ Qatar being the fastest growing economy in the GCC, providing significant growth opportunities

## ANY FURTHER QUESTIONS?



### AAMAL COMPANY

Mohammed Arif Qureshi	Group Accounts Manager	E: mohammad.ramahi@aamal.qa
ZAID SHELLEH	Investor Relations Manager	E: zaid.shelleh@aamal.qa

T: +974 4422 3888  
[www.aamal.qa](http://www.aamal.qa)

### FINANCIAL PR/IR ADVISORS

LAURA BANKS	Investor Relations	E: Laura.Banks@citigatedewerogerson.com T: +44 (0)7545 942 738
TOBY MOORE	Financial PR Advisor	E: Toby.Moore@citigatedewerogerson.com T: +44 (0)7768 981 763
RAMIZ AL-TURK	Arabic Media Enquiries	E: Ramiz.Al-Turk@citigatedewerogerson.com T: +974 5014 9201

[www.citigatedewerogerson.com](http://www.citigatedewerogerson.com)

# Contents

- ❑ Q1 2023 Highlights
- ❑ Financial Summary
- ❑ Segmental Review
- ❑ Corporate Governance Update
- ❑ Summary and Outlook
- ❑ Appendix
  - Group Results – Revenue and Net Profit by Segment
  - Aamal's Investment Case

## GROUP RESULTS (BY SEGMENT)

### REVENUE

QARm	Q1 2023	Q1 2022	Change %
Industrial Manufacturing	109.1	139.2	(21.6%)
Trading and Distribution	324.4	237.8	36.4%
Property	75.1	67.4	11.4%
Managed Services	22.8	22.1	3.5%
<i>less: inter-divisional revenue</i>	(19.9)	(13.0)	(53.7%)
<b>Total</b>	<b>511.4</b>	<b>453.5</b>	<b>12.8%</b>

### NET PROFIT

QARm	Net profit Q1 2023	Net profit Q1 2022	Change %	Margin (%) Q1 2023	Margin (%) Q1 2022
Industrial Manufacturing	8.6	10.1	(14.6%)	7.9%	7.2%
Trading and Distribution	34.2	23.1	47.9%	10.5%	9.7%
Property (ex-FV gains)	61.0	53.2	14.6%	81.3%	79.0%
Managed Services	4.5	2.1	114.2%	19.5%	9.4%
<i>less: Head Office costs</i>	(20.9)	(13.7)	(52.6%)	-	-
<b>Total</b>	<b>87.3</b>	<b>74.7</b>	<b>16.8%</b>	<b>17.1%</b>	<b>16.5%</b>

Note: there may be slight differences due to rounding.

"Strength Through Diversity"

## DELIVERING ON OUR INVESTMENT CASE

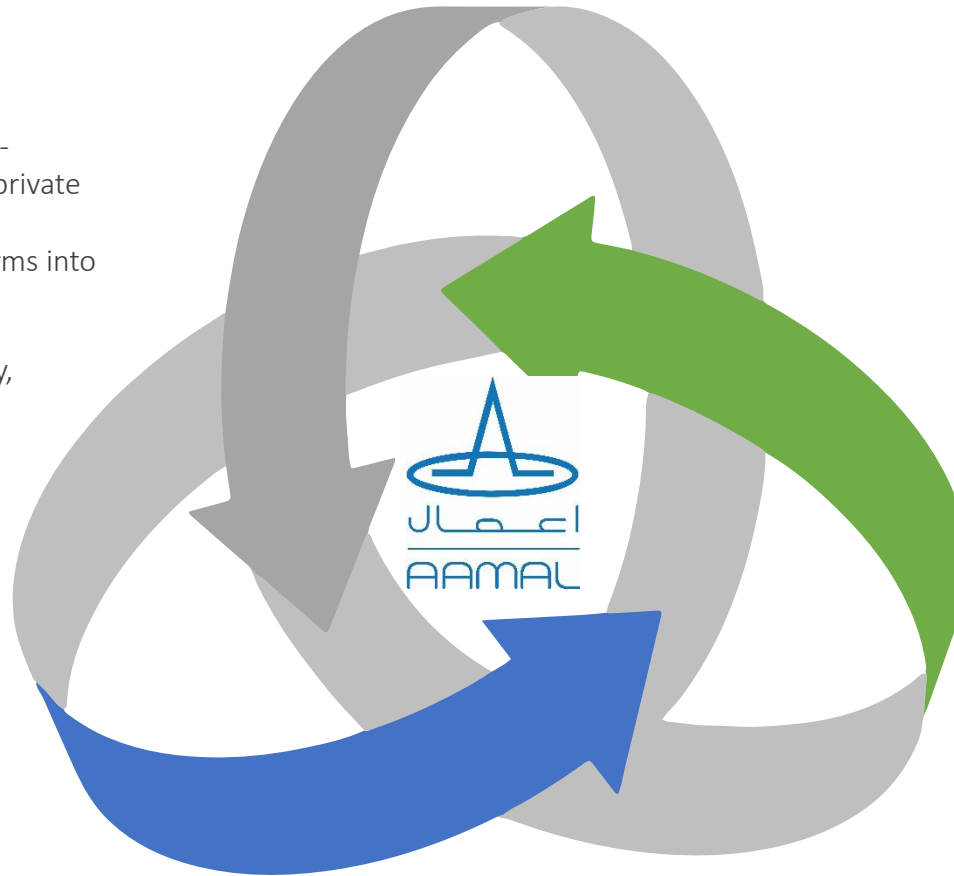
One of the largest, most diversified companies in Qatar offering investors high quality and balanced exposure to Qatar's economic growth and development

### 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