

FOR IMMEDIATE RELEASE

## MPHC reports a net profit of QR 567 million for the nine-month period ended 30 September 2024

- Group revenue reached QR 2.1 billion for the nine-month period ended 30 September 2024.
- Earnings per share (EPS) amounted to QR 0.045 for the nine-month period ended 30 September 2024.
- Macroeconomic headwinds weighed on the product prices, affecting 3Q-24 financial results.
- Robust liquidity position with closing cash and bank balances<sup>1</sup> amounting to QR 3.2 billion as of 30 September 2024.

**Doha, Qatar; 28 October 2024:** Mesaieed Petrochemical Holding Company (“MPHC” or “the Group”; QE ticker: MPHC), today announced a net profit of QR 567 million for the nine-month period ended 30 September 2024, representing a decline compared to 9M-23.

### Updates on macroeconomic environment

The global economy is facing headwinds as it grapples with the ongoing impact of stringent monetary policies implemented to curb inflation. Despite some central banks beginning to lower interest rates, the extended period of elevated rates continues to dampen industrial activities, hindering the pace of full recovery from economic downturns.

Consequently, worldwide industrial production growth remains muted, with regional disparities reflecting diverse economic circumstances. Additionally, geopolitical tensions in various regions have further impeded the stabilization of macroeconomic conditions, contributing to the overall challenging economic landscape.

Overall, commodity prices for MPHC’s basket of products have declined year-on-year, primarily due to buyers adopting a cautious approach amid macroeconomic headwinds, along with relatively lower energy prices. However, on a quarter-on-quarter basis, the prices have stabilized and are beginning to show signs of upward momentum.

### Updates on operational performance

Key performance indicators	9M-24	9M-23	Variance (%) [9M-24 vs 9M-23]	3Q-24	2Q-24	Variance (%) [3Q-24 vs 2Q-24]
Production (MT’ 000)	828	841	-2%	274	274	-
Plant utilization rates (%)	95%	95%	0%	95%	95%	-

MPHC’s operations remain robust and resilient, with production for the current period only marginally down compared to 9M-23. This slight decline was primarily due to some outages in the petrochemical segment, partially offset by enhanced production from Chlor-alkali segment. The volumes improved within Chlor-alkali segment as the facility was under planned maintenance turnaround during 9M-23, unlike this year.

<sup>1</sup> Cash and bank balances are reported based on non-IFRS based proportionate consolidation, including share of cash and bank balances from joint ventures.

On a quarter-on-quarter basis, production and utilization remained flat. The outages in the petrochemical segment occurred at the beginning of this quarter, impacting production volumes, and resulting in no significant change in overall production.

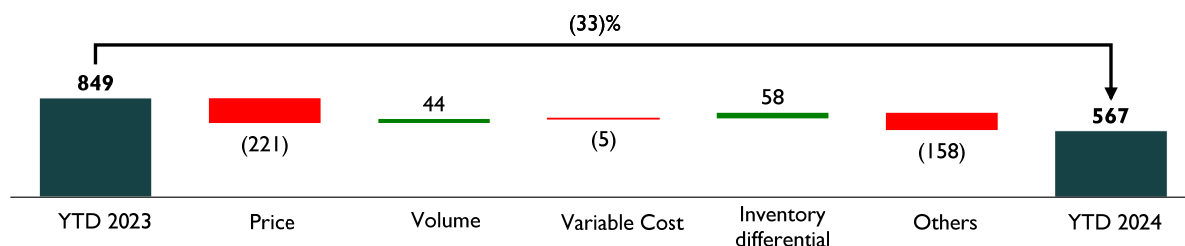
**Financial performance updates – 9M-24 vs 9M-23**

Key financial performance indicators	9M-24	9M-23	Variance (%)
Average selling price (\$/MT)	700	775	-10%
Sales volumes (MT' 000)	828	813	+2%
Revenue (QR' million)	2,112	2,293	-8%
EBITDA (QR' million)	915	1,170	-22%
Net profit (QR' million)	567	849	-33%
Earnings per share (QR)	0.045	0.068	-33%
EBITDA margin (%)	43%	51%	--

Note: Figures have been reported based on non-IFRS based proportionate consolidation

**Analysis of MPHC's net earnings – 9M-24 vs 9M-23**

(Amounts in QR millions)



MPHC reported a net profit of QR 567 million for the nine-month period ended 30 September 2024, marking a decrease compared to the same period last year. This decline in profitability was primarily attributed to lower selling prices, which resulted in reduced Group revenue. The drop in Group revenue was mainly linked to a decrease in average blended product prices, coupled with a decline in profit margins.

Despite the overall revenue decline, MPHC experienced an increase in sales volumes compared to 9M-23. This increase was primarily driven by higher sales volumes reported in the chlor-alkali segment, which fully offset lower sales volumes in the petrochemicals segment. This positive movement in sales volumes translated favorably into MPHC's 9M-24 net earnings compared to the same period last year.

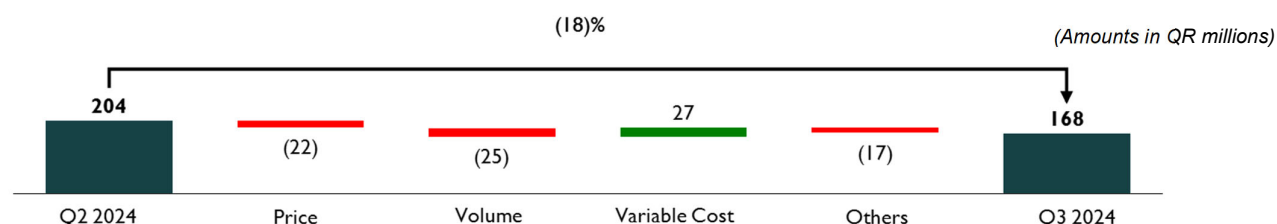
However, EBITDA for the current period noted a decline versus 9M-23, mainly due to lower revenue. Additionally, the drop in production and subsequent sales volumes within the petrochemical segment, coupled with a decline in the average selling prices, negatively impacted the group's overall EBITDA and EBITDA margins for 9M-24 compared to the same period last year. These factors collectively contributed to the decreased financial performance observed in the nine-month period of 2024.

Overall, the financial results were impacted by lower earnings from the petrochemical segment compared to the same period last year. This decline was partially mitigated by improved performance in the chlor-alkali segment, which showed better earnings year-over-year. The overall performance of these two segments resulted in a net negative effect on the company's overall results.

**Financial performance – 3Q-24 vs 2Q-24**

Key financial performance indicators	3Q-24	2Q-24	Variance (%)
Average selling price (\$/MT)	692	710	-3%
Sales volumes (MT' 000)	269	281	-4%
Revenue (QR' million)	679	726	-7%
EBITDA (QR' million)	287	322	-11%
Net profit (QR' million)	168	204	-18%
Earnings per share (QR)	0.013	0.016	-18%
EBITDA margin (%)	42%	44%	--

Note: Figures have been reported based on non-IFRS based proportionate consolidation

**Analysis of MPHC's net earnings - 3Q-24 vs 2Q-24**

MPHC's bottom-line profitability declined compared to the previous quarter, primarily due to lower group revenue.

The decline in revenue was mainly attributed to marginally lower selling prices and reduced sales volumes. The selling price impacted particularly the petrochemical segment. Overall sales volume witnessed a decline, primarily driven by the petrochemical segment, where lower production due to reduced utilization resulted in decreased sales volume.

EBITDA and EBITDA margins were negatively affected by a declining trend in selling prices, driven by challenging market conditions. Additionally, sales volumes decreased primarily due to lower production within the petrochemical segment during the quarter. This reduction in both selling prices and sales volume, in turn, impacted margins compared to the previous quarter. The combination of lower selling prices and reduced production efficiency contributed to the overall decline in EBITDA performance.

**Financial performance – 3Q-24 vs 3Q-23**

Key financial performance indicators	3Q-24	3Q-23	Variance (%)
Average selling price (\$/MT)	692	707	-2%
Sales volumes (MT' 000)	269	295	-9%
Revenue (QR' million)	679	758	-10%
EBITDA (QR' million)	287	373	-23%
Net profit (QR' million)	168	264	-36%
Earnings per share (QR)	0.013	0.021	-36%
EBITDA margin (%)	42%	49%	--

Note: Figures have been reported based on non-IFRS based proportionate consolidation

MPHC's bottom-line profitability declined compared to the same quarter last year, primarily due to lower revenue. This decline in revenue was driven by two main factors: lower selling prices and reduced sales volumes.

The lower selling prices were a result of the challenging macroeconomic environment compared to the same quarter last year. Meanwhile, sales volumes were impacted due to lower operating rates in the current quarter, in contrast to the better rates witnessed during the same period last year. Additionally, EBITDA was negatively affected by lower gross margins, which were primarily attributed to higher operating costs and general inflation. These factors collectively contributed to the overall decline in MPHC's financial performance compared to the same quarter of the previous year.

**Financial position**

Key performance indicators	As at 30-Sept-24	As at 31-Dec-23	Variance (%)
Cash and bank balances (QR' billion)	3.2	4.3	-26%
Total Assets (QR' billion)	16.6	17.5	-5%
Total Equity (QR' billion)	16.2	17.1	-5%

Note: Cash and bank balances is reported based on non-IFRS based proportionate consolidation

MPHC maintained robust liquidity with substantial cash and bank balances. However, there was a decline in these balances primarily due to two factors: the dividend payment for the financial year 2023 and the interim dividend for 2024 in addition to the payment of MPHC portion in the financing of the PVC project. This decrease was partially offset by positive cash flow generation during the nine-month period of 2024.

**Segmental performance highlights****Petrochemicals:**

Key performance indicators	9M-24	9M-23	Variance (%) [9M-24 vs 9M- 23]	3Q-24	2Q-24	Variance (%) [3Q-24 vs 2Q- 24]
Average selling price (\$/MT)	922	962	-4%	930	945	-2%
Sales volumes (MT' 000)	452	521	-13%	138	155	-11%
Revenue (QR' million)	1,518	1,823	-17%	467	535	-13%
Net profit (QR' million)	394	710	-44%	106	151	-30%
Production (MT' 000)	453	541	-16%	144	151	-5%

Note: The above figures have been reported based on non-IFRS based proportionate consolidation

**Segmental performance analysis – 9M-24 vs 9M-23**

The Petrochemicals segment reported a net profit of QR 394 million for 9M-24, down in comparison to the same period last year. This significant decline in profitability was primarily driven by lower revenue. Segment's revenue declined during 9M-24 versus 9M-23, mainly driven by lower selling prices and lower sales volumes. The drop in sales volumes was primarily linked to lower production, due to reduced plant availability. Product prices also declined, mainly due to deteriorating macroeconomic fundamentals compared to the same period last year.

These factors presented challenges in terms of margins, further affecting profitability compared to the same period last year. The decline in petrochemical prices and demand is consistent with global trends, as the industry faced challenges throughout 2023 and into 2024 due to softening demand, increased global capacity, and historically low earnings across various chemical value chains.

**Segmental performance analysis - 3Q-24 vs 2Q-24**

On a quarter-on-quarter basis, segmental profits declined, primarily due to further margin compression and lower revenue. The revenue decrease was driven by two factors: firstly, a decline in selling prices as supply and demand dynamics in the polyethylene market trended towards equilibrium; and secondly, reduced sales volumes.

The volume reduction was a result of lower production output and outages within QChem facilities. These combined factors – price pressure, volume constraints, and the resulting margin squeeze – contributed to the overall decline in the segment's quarterly performance.

**Chlor-alkali:**

Key performance indicators	9M-24	9M-23	Variance (%) [9M-24 vs 9M-23]	3Q-24	2Q-24	Variance (%) [3Q-24 vs 2Q-24]
Average selling price (\$/MT)	434	443	-2%	443	421	+5%
Sales volumes (MT' 000)	376	292	+29%	131	125	+5%
Revenue (QR' million)	594	471	+26%	211	192	+10%
Net profit (QR' million)	68	59	+15%	32	18	+83%
Production (MT' 000)	375	300	+25%	130	123	+6%

Note: The above figures have been reported based on non-IFRS based proportionate consolidation

**Segmental performance analysis – 9M-24 vs 9M-23**

The Chlor-alkali segment reported a net profit of QR 68 million for the current period, an increase compared to the same period last year. Despite marginally lower selling prices due to persistent macroeconomic uncertainties, the segment's performance improved significantly.

This improvement was primarily driven by a substantial increase in sales volumes, resulting from higher production output due to better plant availability in chlor-alkali facilities. The boost in production and subsequent sales volumes significantly increased the segment revenue, leading to enhanced overall profitability compared to the same period last year. This positive volume effect more than offset the slight decline in prices, resulting in the segment's improved financial performance.

**Segmental performance analysis - 3Q-24 vs 2Q-24**

Comparing 3Q-24 to 2Q-24, the segment's profitability increased significantly. This improvement was driven by three key factors: higher sales volumes due to improved production efficiency, increased selling prices as market fundamentals gradually strengthened, and overall margin expansion. The combination of these factors resulted in a notably stronger quarterly performance for the segment.

**Earnings Call**

MPHC will host an IR earnings call with investors to discuss its results, on Sunday, 03 November 2024 at 1:30 p.m. Doha Time. The IR presentation that accompanies the conference call will be posted on the 'financial information' page within the Investor Relations section at MPHC's website.

-Ends-

**About MHPC**

Mesaieed Petrochemical Holding Company Q.P.S.C. ("MPHC") was incorporated as a Qatari joint stock company on May 29, 2013 with an agreed effective date for the transfer of QatarEnergy's (formerly known as Qatar Petroleum) previous shareholding in the joint ventures of September 1, 2013. The registered office is located at P.O. Box 3212, Doha, State of Qatar.

The main activity of MPHC is to act as a holding company: (i) Q-Chem is currently owned by MPHC (49%), Chevron Phillips Chemical International Qatar Holdings L.L.C. ("CPCIQH") (49%) and QatarEnergy (2%), and has one wholly-owned subsidiary, Q-Chem Distribution Company Limited, (ii) Q-Chem II is currently owned by MPHC (49%), CPCIQH (49%) and QatarEnergy (2%), and has one wholly-owned subsidiary, Q-Chem II Distribution Company Limited, and an effective ownership interest of 53.85% in a joint venture, Ras Laffan Olefins Company Limited, which supplies ethylene to Q-Chem II; and (iii) QVC, which was incorporated in 1997 as a joint venture, and is currently owned by MPHC (55.2%), Qapco (31.9%) and QatarEnergy (12.9%).

For more information about the earnings announcement, e-mail [mphc@qatarenergy.qa](mailto:mphc@qatarenergy.qa) or visit [www.mphc.com.qa](http://www.mphc.com.qa)

#### DISCLAIMER

The companies in which Mesaieed Petrochemical Holding Company Q.P.S.C. directly and indirectly owns investments are separate entities. In this press release, "MPHC" and "the Group" are sometimes used for convenience in reference to Mesaieed Petrochemical Holding Company Q.P.S.C.

This presentation may contain forward-looking statements concerning the financial condition, results of operations and businesses of Mesaieed Petrochemical Holding Company Q.P.S.C. All statements other than statements of historical fact are deemed to be forward-looking statements, being statements of future expectations that are based on current expectations and assumptions, and involve known and unknown risks and uncertainties that could cause actual results, operations and business performance or events impacting the group to differ materially from those expressed or as may be inferred from these statements.

There are a number of factors that could affect the realisation of these forward-looking statements such as: (a) price fluctuations in crude oil and natural gas, (b) changes in demand or market conditions for the group's products, (c) loss of market share and industry competition, (d) environmental risks and natural disasters, (e) changes in legislative, fiscal and regulatory conditions, (f) changes in economic and financial market conditions and (g) political risks. As such, results could differ substantially from those stated, or as may be inferred from the forward-looking statements contained herein. All forward-looking statements contained in this presentation are made as of the date of this presentation.

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#### GENERAL NOTES

Mesaieed Petrochemical Holding Company's accounting year follows the calendar year. No adjustment has been made for leap years. Values expressed in QR billions and percentages have been rounded to 1 decimal point. All other values have been rounded to the nearest whole number. Values expressed in US \$'s have been translated at the rate of US \$1 = QR3.64.

Amounts relating to income statement, including revenue, net profits, production, sales volumes, have been computed and reported for the purposes of this press release on proportionate basis, based on the share of ownership of MPHC in its respective joint ventures.

#### DEFINITIONS

Cash Realisation Ratio:  $\text{Cash Flow From Operations} / \text{Net Profit} \times 100$  • Debt to Equity:  $(\text{Current Debt} + \text{Long-Term Debt}) / \text{Equity} \times 100$  • Dividend Yield:  $\text{Total Cash Dividend} / \text{Closing Market Capitalisation} \times 100$  • EDC: Ethylene Dichloride • EPS: Earnings per Share (Net Profit / Number of Ordinary Shares outstanding at the year end) • EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation • Free Cash Flow:  $\text{Cash Flow From Operations} - \text{Total CAPEX}$  • HCL: Hydrochloric Acid • HDPE: High Density Polyethylene • NAO: Normal Alpha Olefins • NaOH: Caustic Soda • MT / PA: Metric Tons Per Annum • Payout Ratio:  $\text{Total Cash Dividend} / \text{Net Profit} \times 100$  • P/E: Price to Earnings (Closing market capitalisation / Net Profit) • Utilisation:  $\text{Production Volume} / \text{Rated Capacity} \times 100$  • VCM: Vinyl Chloride Monomer