

FOR IMMEDIATE RELEASE

## MPHC reports a net profit of QR 398 million for the six-month period ended 30 June 2024

- The Board of Directors decides to distribute interim cash dividend of QAR 0.027 per share, representing payout ratio equivalent to 85% of net income for the period.
- Group revenue reached QR 1.4 billion for the six-month period ended 30 June 2024.
- Earnings per share (EPS) amounted to QR 0.032 for the six-month period ended 30 June 2024.
- Macroeconomic headwinds weighed on the product prices, affecting 2Q-24 financial results.
- Production volumes improved in 1H-24 vs 1H-23 primarily in Chlor-Alkali facilities since previous year witnessed maintenance turnaround in these facilities.
- Robust liquidity position with closing cash and bank balances<sup>1</sup> amounting to QR 3.4 billion as of 30 June 2024.

**Doha, Qatar; 12 August 2024:** Mesaieed Petrochemical Holding Company (“MPHC” or “the Group”; QE ticker: MPHC), today announced a net profit of QR 398 million for the six-month period ended 30 June 2024, representing a decline of 32% compared to 1H-23.

### Updates on macroeconomic environment

Macroeconomic climate remained wavered during 1H-24, as market sentiment remains dedicated by uncertainty toward global economies recovery, in addition to recessionary fears linked to inflation related pressures and higher interest rate environment.

On overall, commodity prices for MPHC’s basket of products declined on a year-on-year basis mainly due to cautious approach from buyers amid macro-headwinds, coupled with comparatively lower energy prices. On quarter-on-quarter basis, prices have inched up as global economies are showing signs of gradual recovery.

### Updates on operational performance

Key performance indicators	1H-24	1H-23	Variance (%) [1H-24 vs 1H-23]	2Q-24	1Q-24	Variance (%) [2Q-24 vs 1Q-24]
Production (MT’ 000)	554	533	4%	274	280	-2%
Plant utilization rates (%)	96%	91%	5%	95%	97%	-1%

<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

MPHC's operations continue to remain robust and resilient with total production for the current period reaching 554 thousand MTs. Production for 1H-24 increased by 4% versus 1H-23, mainly due to a maintenance turnaround carried out at QVC facilities during 1H-23 which affected production volumes of comparable period.

On a quarter-on-quarter basis production volumes for 2Q-24 declined marginally by 2% in comparison to 1Q-24, mainly due to a decline noted in production volumes from petrochemicals segment, linked to maintenance turnaround.

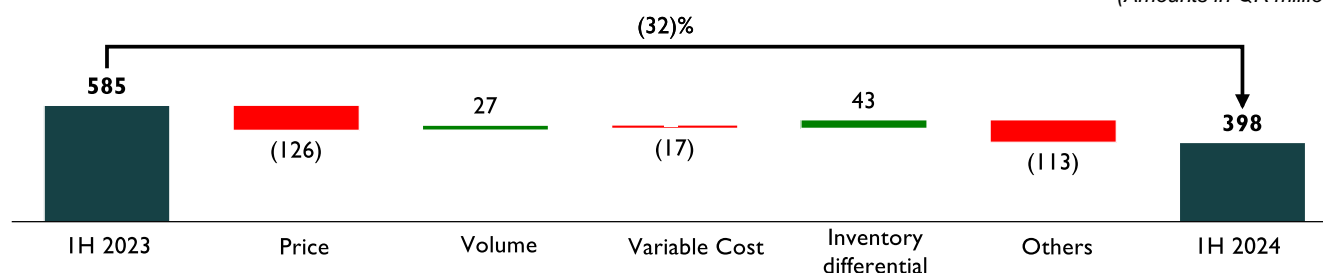
#### Financial performance updates – 1H-24 vs 1H-23

Key financial performance indicators	1H-24	1H-23	Variance (%)
Average selling price (\$/MT)	704	813	-13%
Sales volumes (MT' 000)	559	518	8%
Revenue (QR' million)	1,433	1,535	-7%
EBITDA (QR' million)	627	797	-21%
Net profit (QR' million)	398	585	-32%
Earnings per share (QR)	0.032	0.047	-32%
EBITDA margin (%)	44%	52%	--

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

#### Analysis of MPHC's net earnings – 1H-24 vs 1H-23

(Amounts in QR millions)



MPHC reported a net profit of QR 398 million for the six-month period ended 30 June 2024, down by 32% compared to the last year. This decline in profitability was mainly linked to decline in selling prices by 13% resulting in lower revenue by 7% to reach QR 1.4 billion.

Drop in Group revenue was mainly linked to the decrease noted in average blended product prices, which declined by 13% compared to 1H-23, translating into a negative price variance of QR 126 million in MPHC's current period net earnings as compared to the same period of last year. Subdued product demand amid macroeconomic uncertainties resulted in lowered commodity prices.

On the other hand, sales volumes increased by 8% versus 1H-23, mainly driven by higher sales volumes reported by the chlor-alkali segment partially offset by lower sales volumes reported by the petrochemicals segment. Positive movement in sales volumes translated into an increase of QR 27 million in MPHC's 1H-24 net earnings versus the same period of last year.

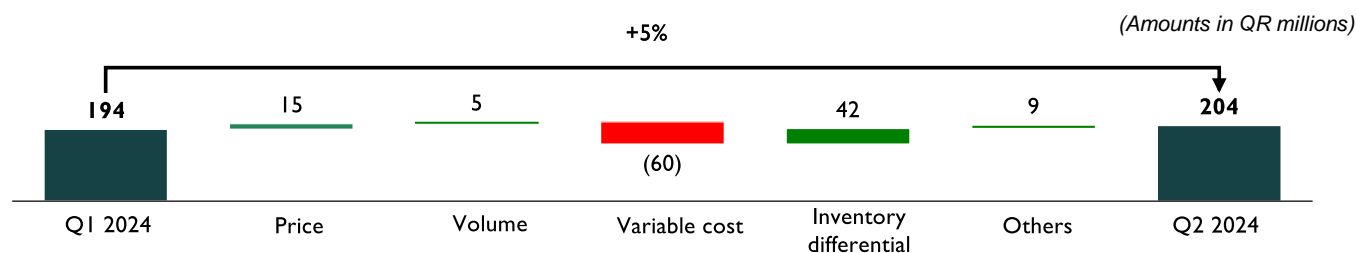
While EBITDA for the current period amounted to QR 627 million noted a decline of 21% versus 1H-23, mainly due to lower revenue. EBITDA margins for 1H-24 reached 44% versus 52% achieved during 1H-23 mainly affected by the decline in selling prices.

#### Financial performance – 2Q-24 vs 1Q-24

Key financial performance indicators	2Q-24	1Q-24	Variance (%)
Average selling price (\$/MT)	710	697	2%
Sales volumes (MT' 000)	281	279	1%
Revenue (QR' million)	726	707	3%
EBITDA (QR' million)	322	305	6%
Net profit (QR' million)	204	194	5%
Earnings per share (QR)	0.016	0.015	5%
EBITDA margin (%)	44%	43%	--

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

## Analysis of MPHC's net earnings - 2Q-24 vs 1Q-24



MPHC's bottom-line profitability increased by 5% versus 1Q-24, mainly due to higher revenue where an incline of 3% was noted on a quarter-on-quarter basis.

Increase in revenue was mainly linked to higher selling prices by 2%, and marginally higher sales volumes by 1% versus 1Q-24, as result of increased production volumes from Chlor-alkali segment fully offsetting the decline in Petrochemicals segment linked to maintenance turnaround during the quarter. This translating to a positive volume variance of QR 5 million.

Selling prices improved marginally by 2% compared to previous quarter, mainly on the backdrop of relatively enhanced supply-demand dynamics translating to a positive price variance of QR 15 million.

## Financial performance – 2Q-24 vs 2Q-23

Key financial performance indicators	2Q-24	2Q-23	Variance (%)
Average selling price (\$/MT)	710	802	-11%
Sales volumes (MT' 000)	281	283	-1%
Revenue (QR' million)	726	814	-11%
EBITDA (QR' million)	322	424	-24%
Net profit (QR' million)	204	316	-35%
Earnings per share (QR)	0.016	0.025	-35%
EBITDA margin (%)	44%	52%	--

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

MPHC's bottom-line profitability declined by 35% versus 2Q-23, mainly due to lower revenue by 11% compared to the same quarter of last year.

Decline in revenue was driven by lower selling prices by 11% on the backdrop of challenging macroeconomic environment versus same quarter of last year. EBITDA was impacted due to lower gross margins primary attributed to higher operating cost and general inflation.

## Financial position

Key performance indicators	As at 30-Jun-24	As at 31-Dec-23	Variance (%)
Cash and bank balances (QR' billion)	3.4	4.3	-21%
Total Assets (QR' billion)	16.8	17.5	-4%
Total Equity (QR' billion)	16.4	17.1	-4%

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

Liquidity remained robust with cash and bank balances standing at QR 3.4 billion as at 30 June 2024. Decline in cash and bank balances was mainly due to dividend payment for the financial year 2023, being partially offset by positive cash flow generation during first half 2024. Total assets as at 30 June 2024 amounted to QR 16.8 billion and total equity amounted to QR 16.4 billion.

## Segmental performance highlights

**Petrochemicals:**

Key performance indicators	1H-24	1H-23	Variance (%) [1H-24 vs 1H-23]	2Q-24	1Q-24	Variance (%) [2Q-24 vs 1Q-24]
Average selling price (\$/MT)	919	999	-8%	945	893	6%
Sales volumes (MT' 000)	314	342	-8%	155	159	-2%
Revenue (QR' million)	1,050	1,242	-15%	535	516	4%
Net profit (QR' million)	289	502	-42%	151	138	9%
Production (MT' 000)	309	352	-12%	151	158	-4%

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

**Segmental performance analysis – 1H-24 vs 1H-23**

Petrochemicals segment reported a net profit of QR 289 million for the current period, down by 42% versus 1H-23. This decline in profitability was primarily driven by lower revenue.

Segment's revenue was down by 15% for 1H-24 versus 1H-23 to reach QR 1 billion, mainly driven by lower selling prices and lower sales volumes. Drop in sales volumes was mainly linked to lower production which declined by 12% due to lesser plant availability. Product prices also declined by 8%, mainly due to backdrop of deteriorating macroeconomic fundamentals versus the same period of last year.

**Segmental performance analysis - 2Q-24 vs 1Q-24**

On a quarter-on-quarter basis, segmental profits increased by 9%, mainly due to higher revenue by 4%. Higher revenue was driven by improved selling prices by 6% as supply and demand dynamics gradually improves in polyethylene market. Sales volumes marginally declined by 2% on a quarter-on-quarter basis, on the backdrop of lower production.

**Chlor-alkali:**

Key performance indicators	1H-24	1H-23	Variance (%) [1H-24 vs 1H-23]	2Q-24	1Q-24	Variance (%) [2Q-24 vs 1Q-24]
Average selling price (\$/MT)	429	454	-6%	421	437	-4%
Sales volumes (MT' 000)	245	177	39%	125	120	4%
Revenue (QR' million)	383	293	31%	192	191	0%
Net profit (QR' million)	36	31	15%	18	18	0%
Production (MT' 000)	245	182	35%	123	122	1%

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

**Segmental performance analysis – 1H-24 vs 1H-23**

Chlor-alkali segment reported a net profit of QR 36 million for the current period, higher by 15% compared to same period of last year. Selling prices dropped by 6%, as challenges due to macroeconomic uncertainties persisted during this period versus the same period of last year. On the other hand, sales volumes reported a significant increase driven by higher production on account of better plant availability in chlor-alkali facilities. The increase in production and subsequently the sales volumes have significantly boosted the revenue by 31% to reach QR 383 million.

**Segmental performance analysis - 2Q-24 vs 1Q-24**

On a quarter-on-quarter basis, profitability for 2Q-24 remained flat versus 1Q-24 reflecting comparable revenue to previous quarter. The increase in sales volumes has been fully offset against the decline in average selling price.

**Interim Cash Dividend Distribution:**

Today, the Board of Directors decided a total interim cash dividend distribution of ~ QR 339 million equivalent to QR 0.027 per share representing 2.7% of nominal share value for the period ended 30 June 2024.

According to relevant regulations, the interim cash dividends will be paid to shareholders as at the close of trading on 20<sup>th</sup> August 2024. Edaa will handle the payment of interim dividends in accordance with applicable rules and regulations.

### Earnings Call

MPHC will host an IR earnings call with investors to discuss its results, business outlook and other matters on Sunday, 18 August 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: Cash Flow From Operations / Net Profit x 100 • Debt to Equity: (Current Debt + Long-Term Debt) / Equity x 100 • Dividend Yield: Total Cash Dividend / Closing Market Capitalisation x 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: Cash Flow From Operations - Total CAPEX • HCL: Hydrochloric Acid • HDPE: High Density Polyethylene • NAO: Normal Alpha Olefins • NaOH: Caustic Soda • MT / PA: Metric Tons Per Annum • Payout Ratio: Total Cash Dividend / Net Profit x 100 • P/E: Price to Earnings (Closing market capitalisation / Net Profit) • Utilisation: Production Volume / Rated Capacity x 100 • VCM: Vinyl Chloride Monomer