



## Alba Reports Full Year 2018 Results

Aluminium Bahrain B.S.C (Alba) (Ticker Code: ALBH) presents its financial results as per the International Financial Reporting Standards (IFRS) accounting rules. All investors and reporters are asked to read Alba's Full-Year 2018 Audited Consolidated Financial Statements posted at [www.albasmelter.com](http://www.albasmelter.com).

Alba's official press release and full set of financial statements are also available on [Bahrain Bourse website](#).

Alba's Financial Results for the Full-Year and Fourth Quarter of 2018 are summarised below:

### Q4 2018 and Full-Year 2018 Financial Performance

Alba's top-line and bottom-line for the Fourth Quarter of 2018 were impacted primarily by lower Sales' revenue and higher Alumina prices. For the Full-Year of 2018, Alba's top-line and bottom-line were attributable to higher sales volume, higher LME price (+7% Year-over-Year (YoY)) and partially offset by higher Alumina Prices (+34% YoY).

The Company reported a Net Loss of **BD 17.5 million (US\$ 47 million)** in the fourth quarter of 2018 versus a Net Income of BD 23.4 million (US\$ 62.4 million) for the same period in 2017, down by 175% YoY. The Company reported a Gross Loss of **BD 7.4 million (US\$ 20 million)** versus a Gross Profit of BD 37.3 million (US\$ 99.2 million) in the same quarter of 2017, down by 120% YoY. With regards to Total Sales/Revenues, Alba reported **BD 211.5 million (US\$ 562.6 million)** in Q4 2018, versus BD 252.7 million (US\$ 672.2 million) in Q4 2017, a drop of 16% YoY. The Company reported a Loss per Share in the fourth quarter of 2018 **fi13** versus Earning per share fi16 in Q4 2017.

For the Full-Year of 2018, Alba's Net Income stood at **BD 59.8 million (US\$ 158.9 million)**, down by 35% YoY, compared to BD 92.5 million (US\$ 245.9 million) in 2017. The Company reported a Gross Profit of **BD 85.9 million (US\$ 228.6 million)** versus BD 134.6 million (US\$ 358.1 million) a decrease of 36% YoY. Total Sales/Revenues reached **BD 911.3 million (US\$ 2.4 billion)**, up by 6% YoY, compared to BD 857.8 million (US\$ 2.3 billion) in 2017. Earnings per Share were **fi42** versus fi65 for 2017.



Alba's Total Assets as at December 31, 2018 reached **BD 2,208.7 million (US\$ 5,874.2 million)**, versus BD 1,686.1 million (US\$ 4,484.5 million) as at 31 December 2017, up by 31% YoY. Total Shareholders' Equity as at December 31, 2018 stood at **BD 1,073.5 million (US\$ 2,854.9 million)**, up by 2% YoY, versus BD 1,052.4 million (US\$ 2,798.9 million) as at December 31, 2017.

### 2018 Industry Highlights

- World Consumption at **~66 million metric tonnes (mt)** and up by **3% Year-over-Year (YoY)**. MENA demand rose by double digit (**+13% YoY**) backed by major infrastructure spending in Saudi Arabia (**+28% YoY**). Asian demand rose by **4% YoY** led by slow consumption in China (**+4% YoY**). Europe consumption up by **3% YoY** supported by sound demand in the construction and automobile sectors while demand in North America rose by **2% YoY** mainly driven by the auto and aerospace sectors.
- Global Production Almost Flat at **1% YoY (~64 million mt)**, thus leading the World Market into a deficit with China (-1.8 million MT) and in deficit w/o China (-2.2 million MT). Higher alumina and power prices drove Chinese smelters' closure translating into flat production growth, while Production in North America was down by 4% YoY due to production cut in ABI smelter in Canada.
- LME inventories at **~1.3 million mt** in December up by (**+16% YoY**).
- Physical premiums prices continue to soften as USA lifted the previous imposed sanctions on UC Rusal.

### 2018 Alba Highlights

- Alba significantly improved its Safety performance by recording a 50% drop in Lost Time Injuries YoY. In addition, Alba launched 'Think Orange, Think Line 6 Safe Start-up' Campaign to coincide with the commissioning of Line 6.
- Amongst 1 Million-Club metric tonnes (MT) smelter, Alba's Production topped **1,011,101 MT (+3% YoY)** while Sales volume reached **1,012,548 MT (+3.5% YoY)**.
- Value-Added Sales were at 60% in 2018 (up from 57% in 2017).
- The achieved benefits of Titan – Phase III are US\$ 101/MT versus 2018 Target of US\$60/MT.



- Line 6 Expansion Project milestones:
  - Alba Power Expansion Project achieves First Fire Milestone
  - Alba commissions Line 6 ahead of schedule
  - Alba starts Casthouse 4 - the biggest furnace in its history
  - Line 6 Smelter [overall progress > 80%]
  - Power Expansion Project [PS 5 & PDS overall progress: 83% & 96%]

### 2019 Alba Priorities

- Continuous focus on Safety with the new 'Safety Gateway' initiative
- Deliver on Project Titan - Phase IV: reduce cash-cost of US\$ 100 million by the end of 2020 [2019: US\$ 40 million & 2020: US\$ 60 million]
- Leverage on Value-Added Sales
- Focus on Future Upstream Opportunities
- Ramp-up Line 6 safely and on time

Aluminium Bahrain B.S.C. (Alba) released its Full-Year and Fourth Quarter of 2018 Results during a meeting of the Company's Board of Directors on Thursday February 07, 2019.

Commenting on Alba's financial performance for the Full-Year of 2018, the Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa said:

"Despite the significant volatility in the financial markets, Alba had a strong finish in both Safety and Production where Alba exceeded the 1-million metric tonnes production mark for the 1<sup>st</sup> time in its history. In addition, our flagship Line 6 project was commissioned ahead of schedule on 13 December 2018".

Adding further, Alba's Chief Executive Officer said:

"2018 was a challenging year with the unprecedented spike in Alumina prices which significantly impacted our bottom-line. Despite the impact of higher Alumina prices, Alba was able to deliver solid results on



the back of our Project Titan Cost Improvement Program. I would also like to thank all Alba employees and contractors for their contribution on Safety during 2018.

In 2019, we will continue our focus to improve Safety, Production and Cost along with our commitment to the Safe start-up of Line 6.

Alba Management will be holding a conference call on Monday 11 February 2019 to discuss Alba's performance for the 2018 Full-Year Results as well as outline the Company's priorities for 2019.