



# INVESTOR RELATIONS PRESENTATION

2023



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# 01

## INDUSTRY HIGHLIGHTS<sup>1</sup>



## World Market Demand +1% YoY

- Aluminium consumption saw a modest growth globally due to stagnant economies curbed by rising interest rates and inflation, ongoing supply chain disruptions and weak consumer confidence
- Chinese economy showed signs of stability fueled by resilient manufacturing sector and a rebound in auto sector and consumer goods spending (+ 5% YoY)
- KSA's aluminium consumption plunged by 6% YoY, dragging down the demand in Middle East by 7% YoY
- US economy is transitioning to a slower pace with labor market easing and consumers facing increased cost pressure due to higher interest rates – led to a drop of 6% YoY in aluminium demand
- Europe: sluggish economy caused by tighter controls on spending, rising prices (high inflation) and weaker consumer interest have led to a contraction in aluminium consumption (-8% YoY)



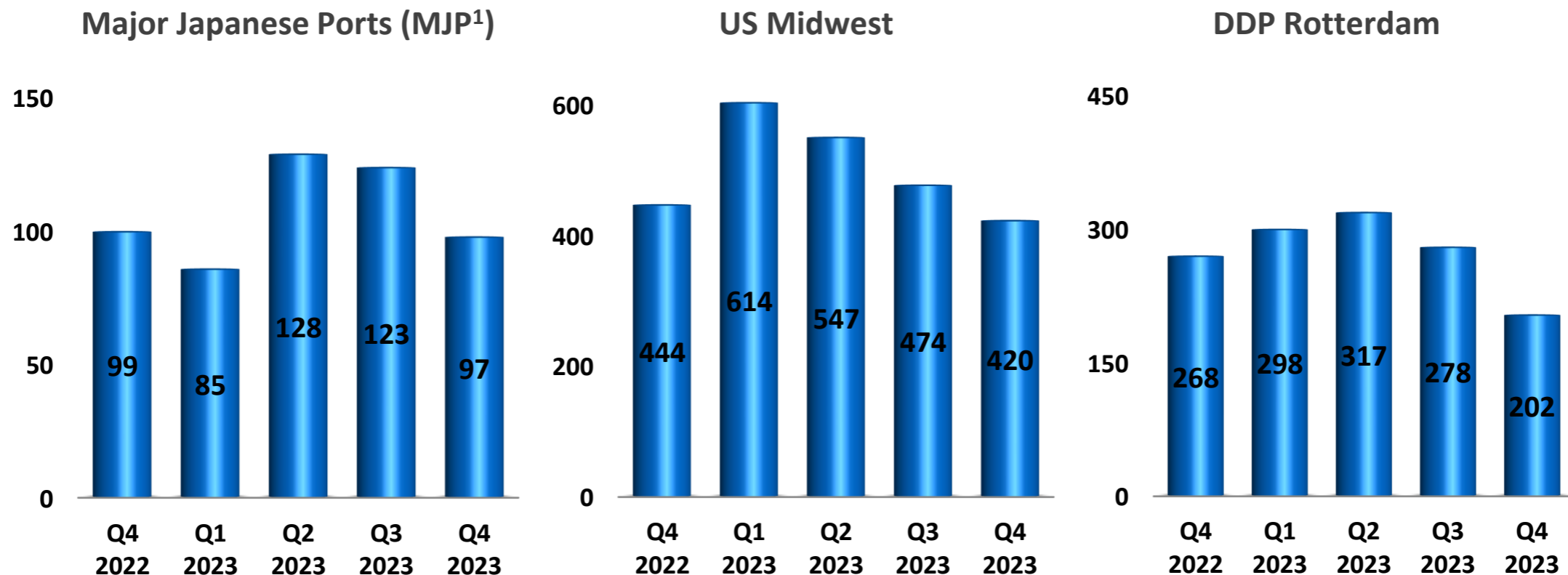
## World Market Supply +2% YoY

- China: growth in production slowed due to winter disruptions in the South (+3% YoY)
- North America: production rose by 3% YoY with smelters' restarts
- Middle East: overall flat (+1% YoY) with gains in Bahrain & UAE (+1% YoY) offset by a decline in KSA (-6% YoY)
- Europe: primary production cut back (-4% YoY) due to weak manufacturing activity
- Russia: LME stocks of Russian origin surged to reach 90% of total LME stocks. UK imposed additional sanctions on Russian metal
- World market w/o China posts first surplus since 2020 (+51,000 MT) & in deficit with China (-6,000 MT)



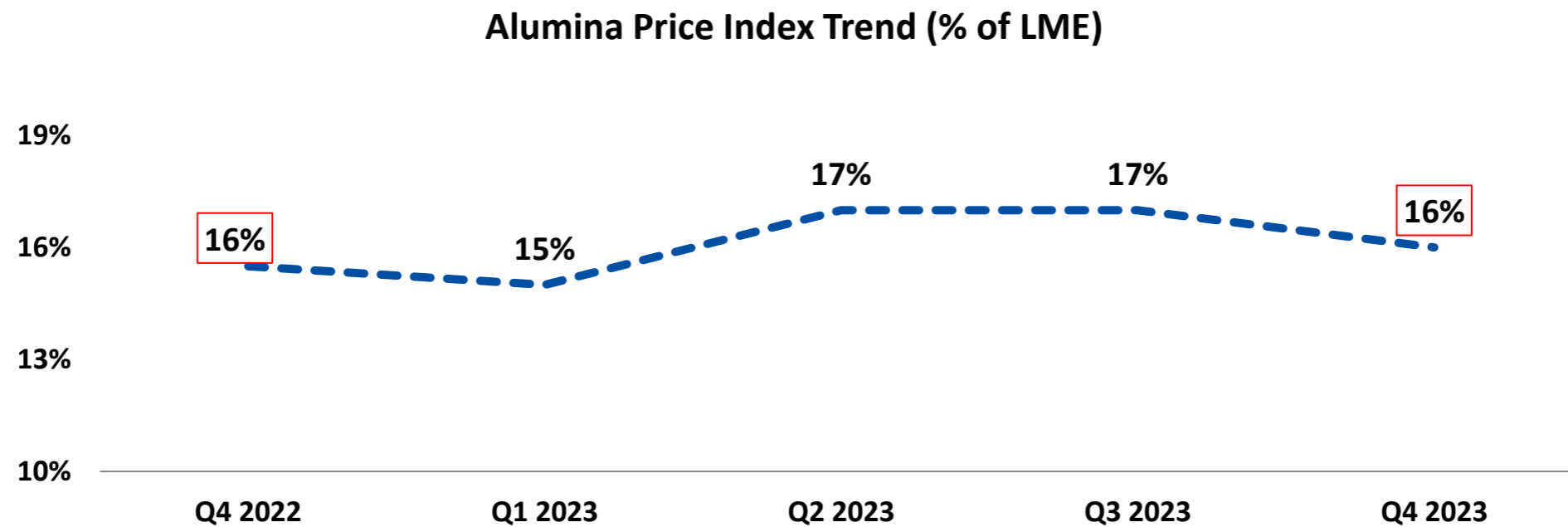
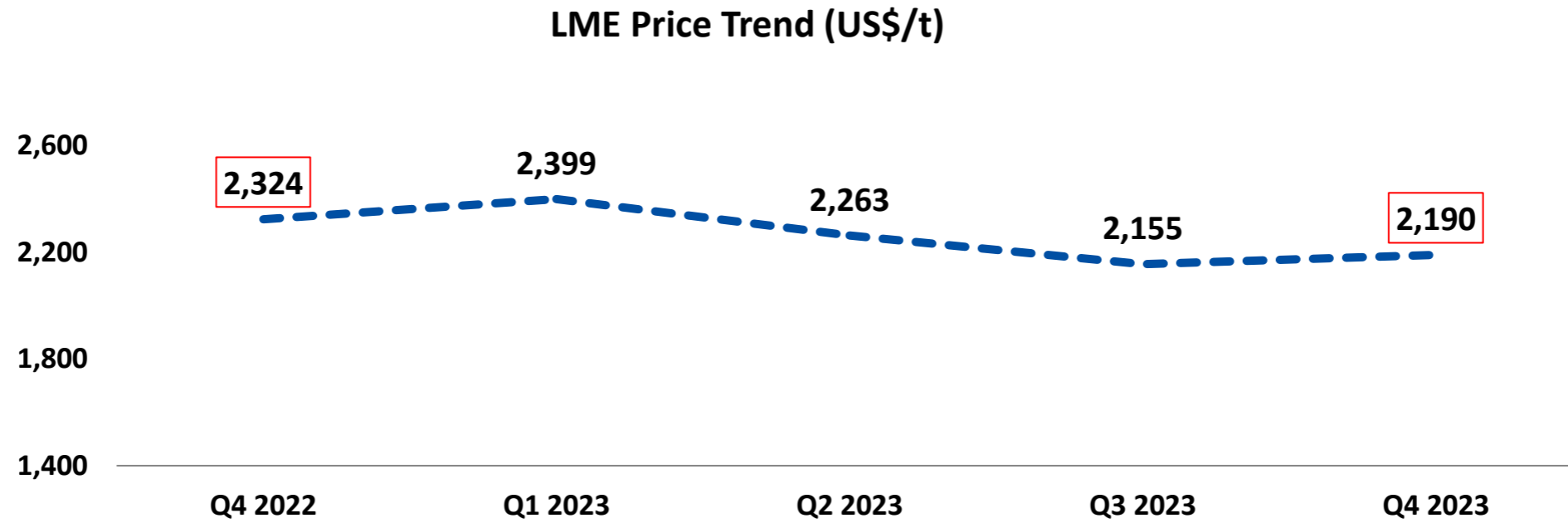
## LME Price & Premiums

- LME Cash averaged US\$2,252/t in 2023 - down by 17% YoY. LME price fluctuated in the fourth quarter between a low of US\$2,082.50/t on 11 December and a high of US\$2,335.50/t on 29 December
- LME inventories remained low at 566,000 MT by year-end despite a 27% increase YoY. Chinese stocks reached a 6-year low
- Premiums dropped significantly owing to weak demand and bearish market sentiment



<sup>1</sup>Major Japanese Ports (MJP) is based on Cost, Insurance and Freight (CIF)

## Alumina Price: 16% of LME Price [US\$362/t]



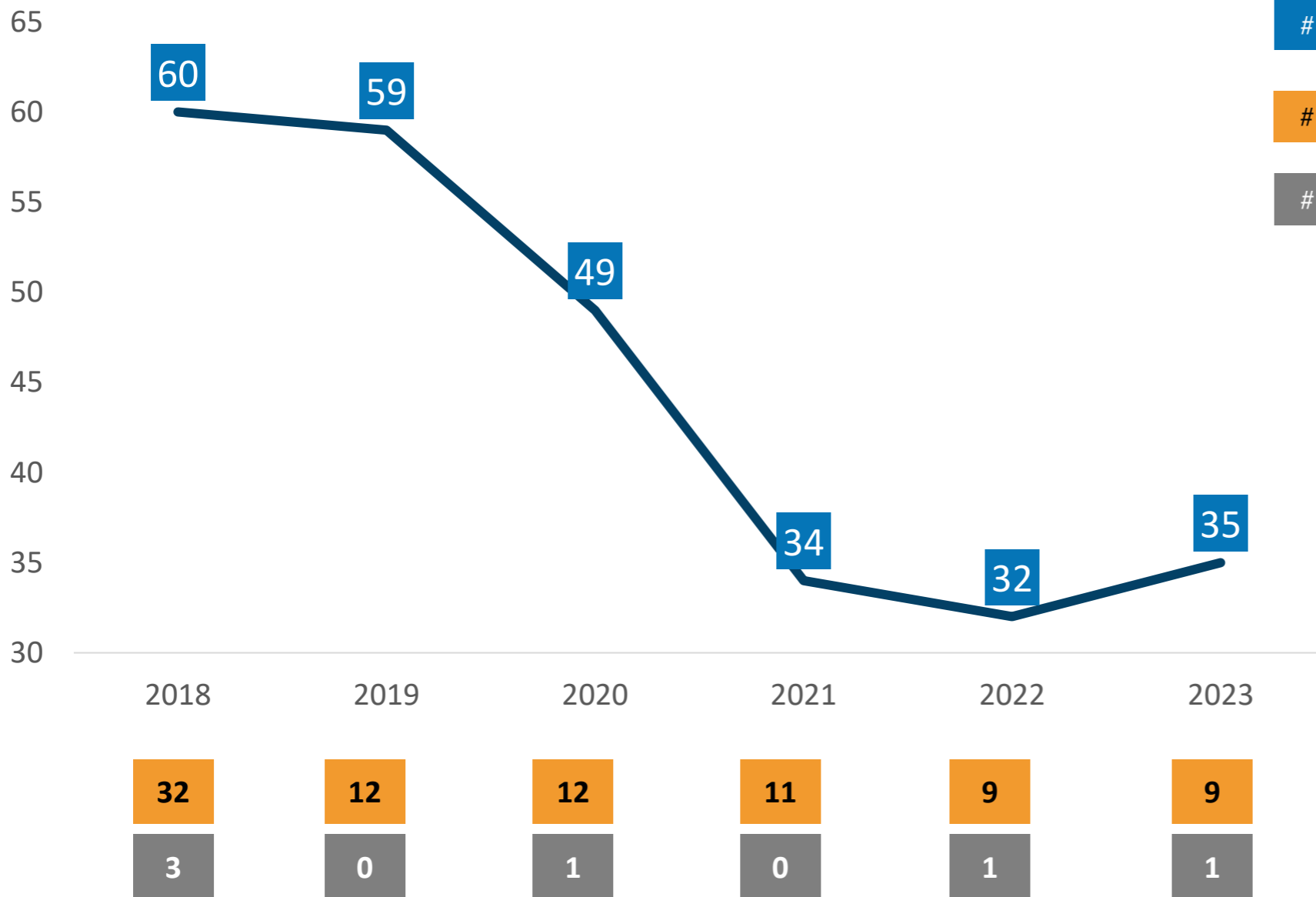




# 02

## ALBA HIGHLIGHTS<sup>1</sup>

# Safety in Numbers



**13 Million Safe Hours without any LTI on 23 January 2024)**







## Major Environment, Social and Governance (ESG) Highlights

- 🌐 Milestone reached in Power Station 5 Block 4 with the arrival of M701JAC Gas Turbine on 16 October 2023
- 🌐 Safety Milestone: 7<sup>th</sup> consecutive summer of zero heat-related illnesses and injuries
- 🌐 Alba: 1<sup>st</sup> smelter in the GCC to attain 4-star audit rating by the British Safety Council
- 🌐 Launch of a mini-Safety Campaign ‘Safety is Driven by You’ on 10 December 2023
- 🌐 Safety First, Safety Always: 13 million safe working hours w/o LTI on 23 January 2024
- 🌐 Sixth edition of ESG Report (with Quality Assurance) released in Q4 2023
- 🌐 Sustainability Triumph: SPL Treatment Plant exceeds target, converting waste into valuable HiCal -- 40,185 MT of HiCal produced against nameplate capacity of 30kMT – 35kMT

# ESG Journey by 2035



	Q2 2024	Q4 2024	Q2 2027*	2025-2027	2030	2035
	 <b>Alba Solar Farm</b>	 <b>Efficiency Upgrades</b>		 <b>Recycled Material</b>	 <b>Government Collaboration</b>	
<b>Initiative</b>	<b>6.23 MW Solar Farm Capacity [Tender Awarded]</b>	<b>Commissioning Power Station 5 Block 4 &amp; Retiring Older Power Stations</b>  <b>*Commissioning Line 7 &amp; Retiring Lines 1-3</b>		<b>Remelting 15kMT - 30kMT of Secondary per Year</b>	<b>500-1,000 MW of Imported Grid Renewable Energy (offtake) with Public Tender Already Issued for 500 MW</b>	

\* Subject to Government Approvals & Completion of Feasibility Study by Q1-Q2 2024



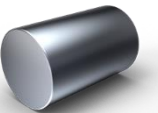
## All-Time Production (1,620,665 MT; + 1.3% YoY)



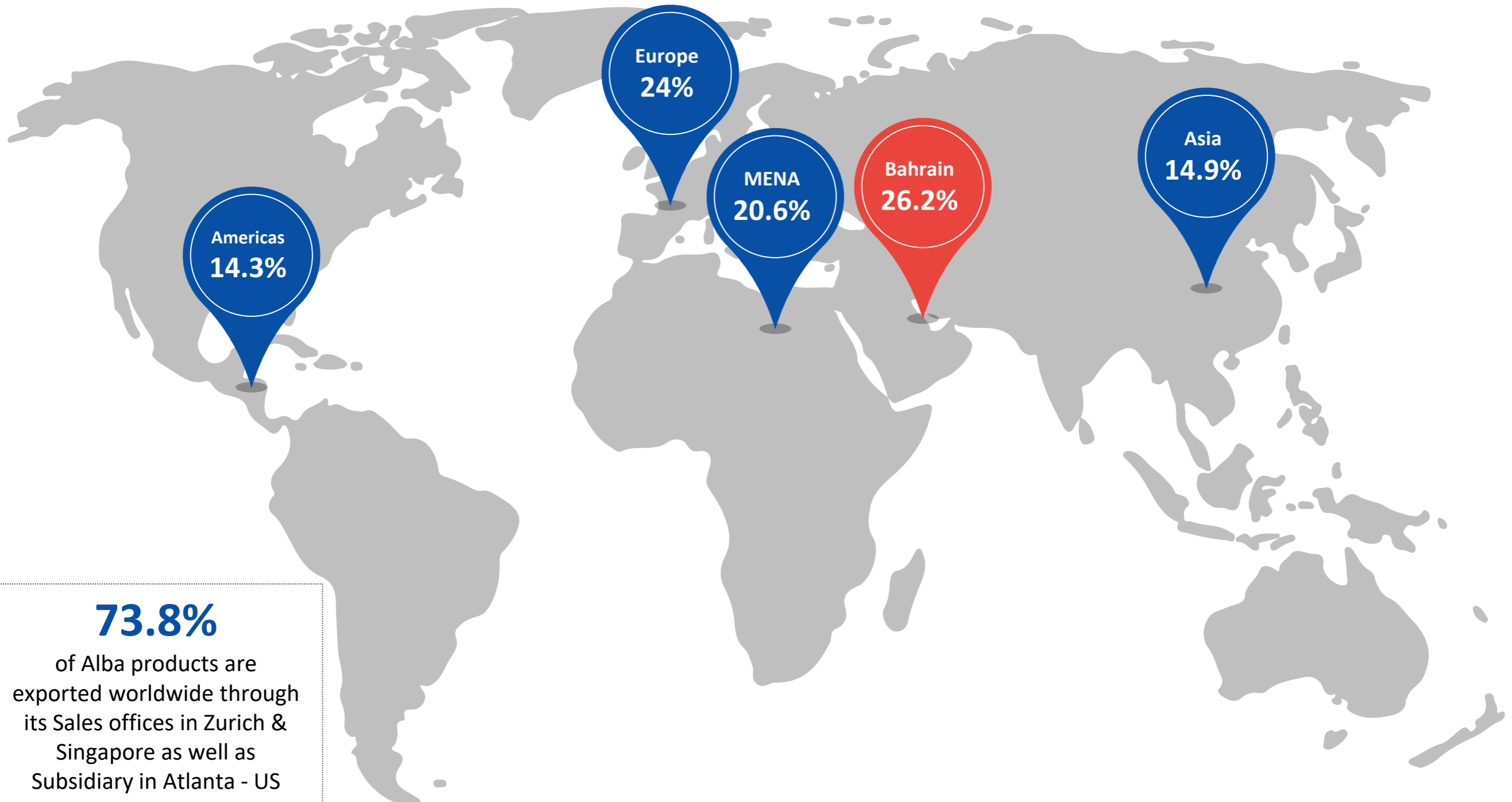


## Operational Highlights (Full Year)

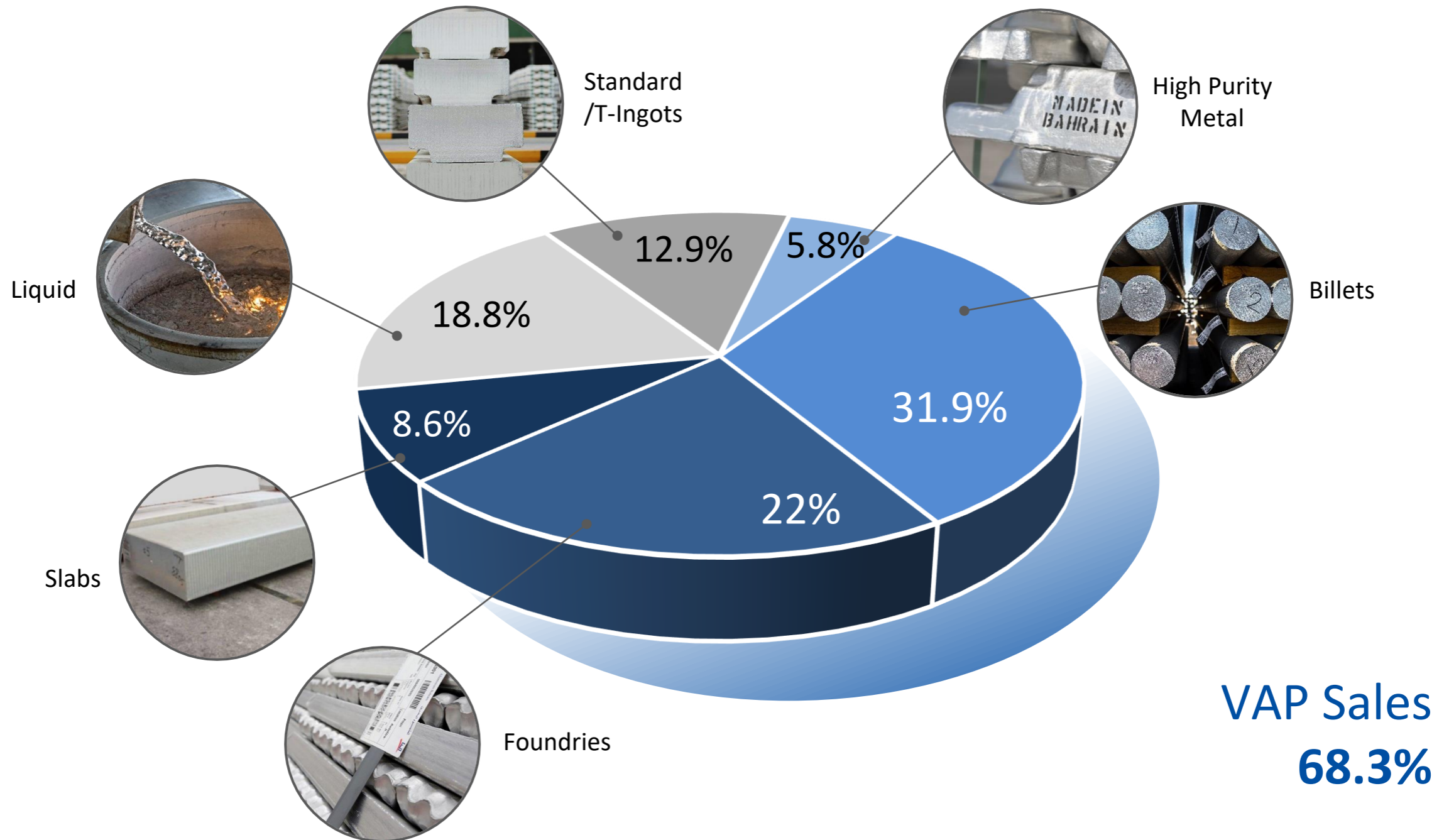
- 🌐 Sales' volume rose to 1,603,011 metric tonnes (MT) despite market challenges (+2.2% YoY)
- 🌐 Closed 2023 with an all-time Net Finished Production of 1,620,665 MT (+1.3% YoY)
- 🌐 Value Added Sales averaged 68% of the total shipments vs. 66% in 2022. VAP Sales' volume exceeds 1,095,000 MT (+5.1% YoY)
- 🌐 Inked 10-Year Gas Supply Deal with Bapco Energies with fixed price structure for the first 5-year period at US\$4/MMBTU on 23 January 2024
- 🌐 Recipient of two major Investor Relations Awards for 2023 by Middle East Investor Relations Association (MEIRA)
- 🌐 Upskilling more than 660 employees through programmes like Al Jisr, Skill Matrix and comprehensive Training and Development Programme
- 🌐 Alba celebrates its female employees on the occasion of Bahraini Women's Day
- 🌐 Through consistent efforts, AL HASSALAH Top up maintains US\$115.34M achieved savings in 2022



## Sales by Geographic Footprint



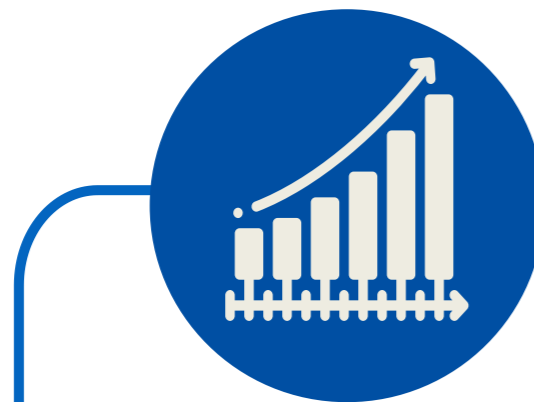
## Sales' Breakdown by Product-Line





## Financial Key Performance Indicators – Q4 & FY 2023

**EBITDA impacted by lower LME price & premiums**



- FY: US\$804 million**  
down by 46% YoY

- Q4: US\$203 million**  
down by 9% YoY

- FY: US\$314 million**  
down by 72% YoY

- Q4: US\$62 million**  
down by 41% YoY

**Free Cash Flow<sup>1</sup> impacted by working capital changes**



- FY: US\$652 million**  
down by 47% YoY

- Q4: US\$255 million**  
down by 50% YoY

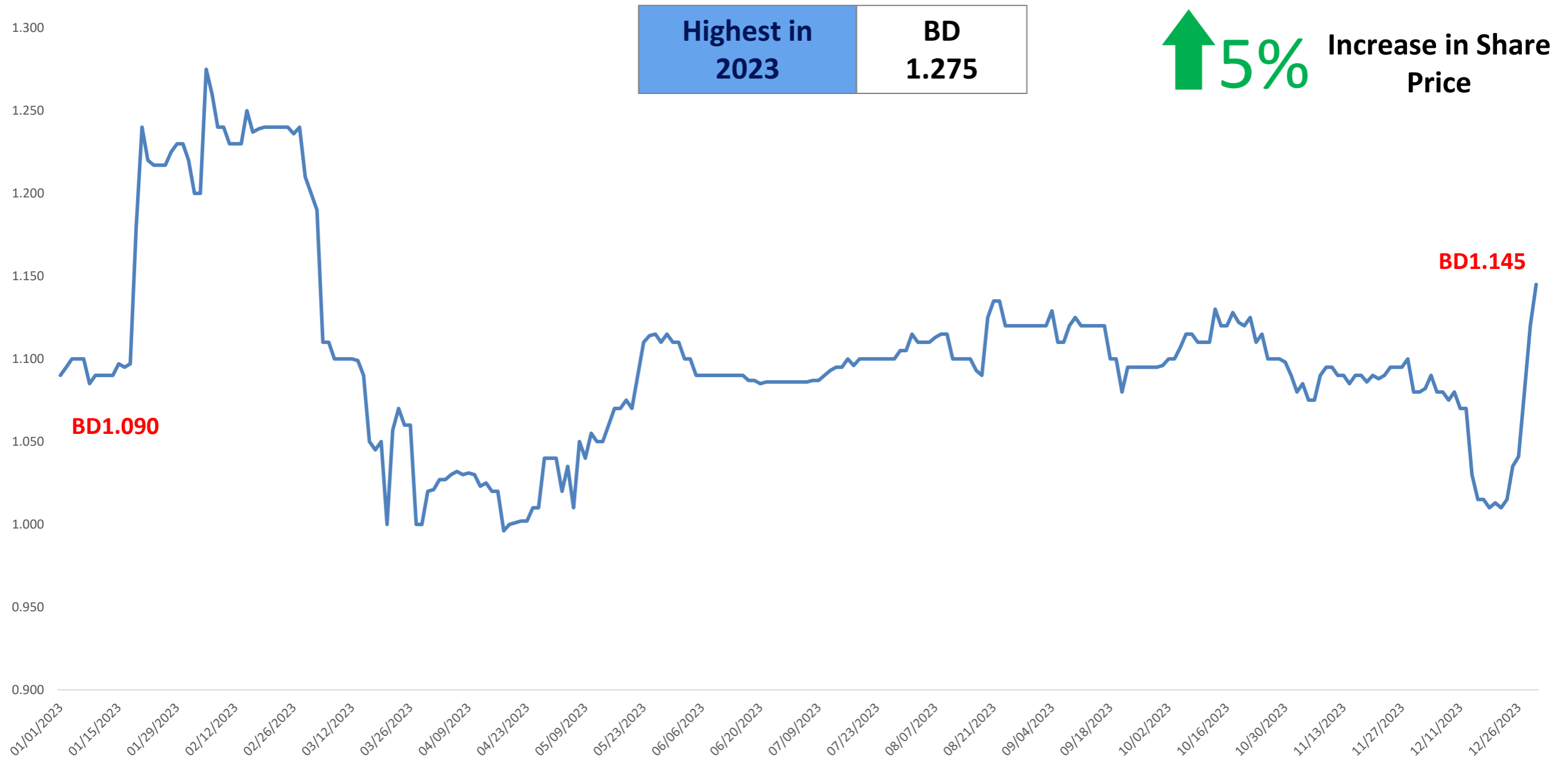


**Net Income driven by lower EBITDA**

Alba BoD recommend **Final Dividend of US\$60 million** to be paid on 31 March 2024 [2023 Dividend Pay-out Ratio: **35%**]

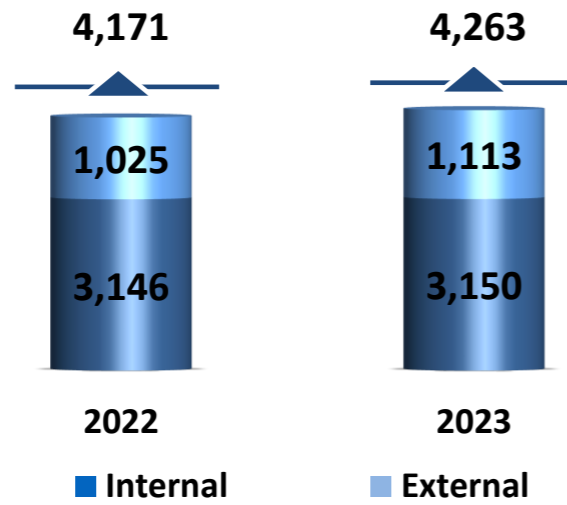


# Alba Share Price Performance [ALBH, Bahraini Dinars]

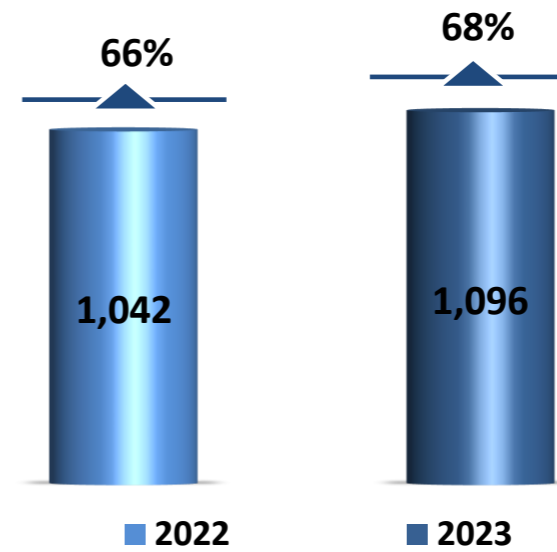


# Operational Productivity

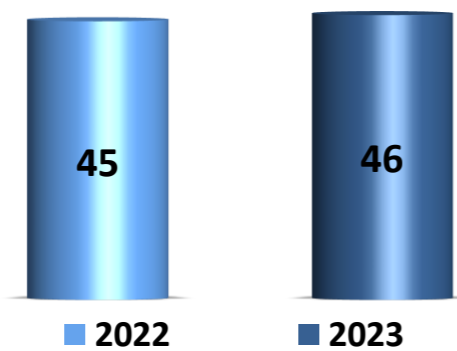
### Total Head Count



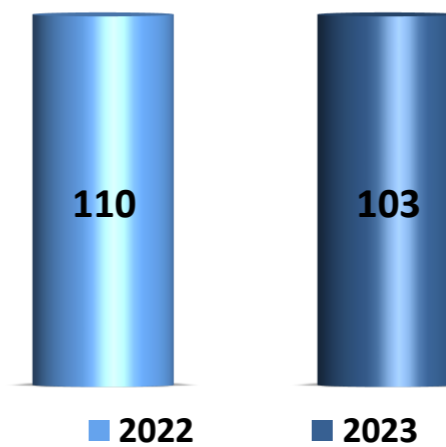
### Value Added Sales (MT'000) as a % of Total Sales (MT)



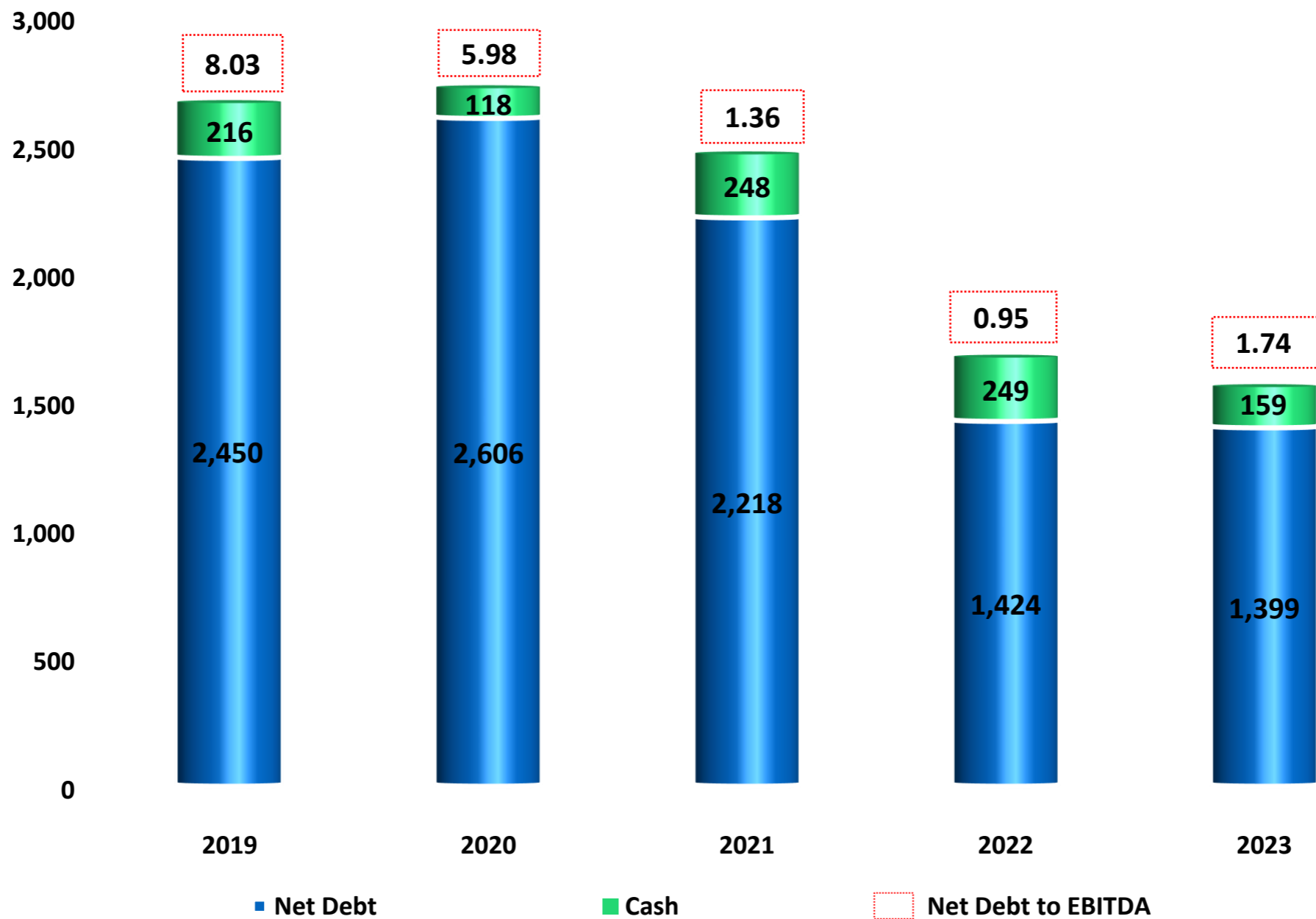
### Account Receivable Days' Trend



### Inventory Days' Trend



## Net Debt to EBITDA Ratio Trend



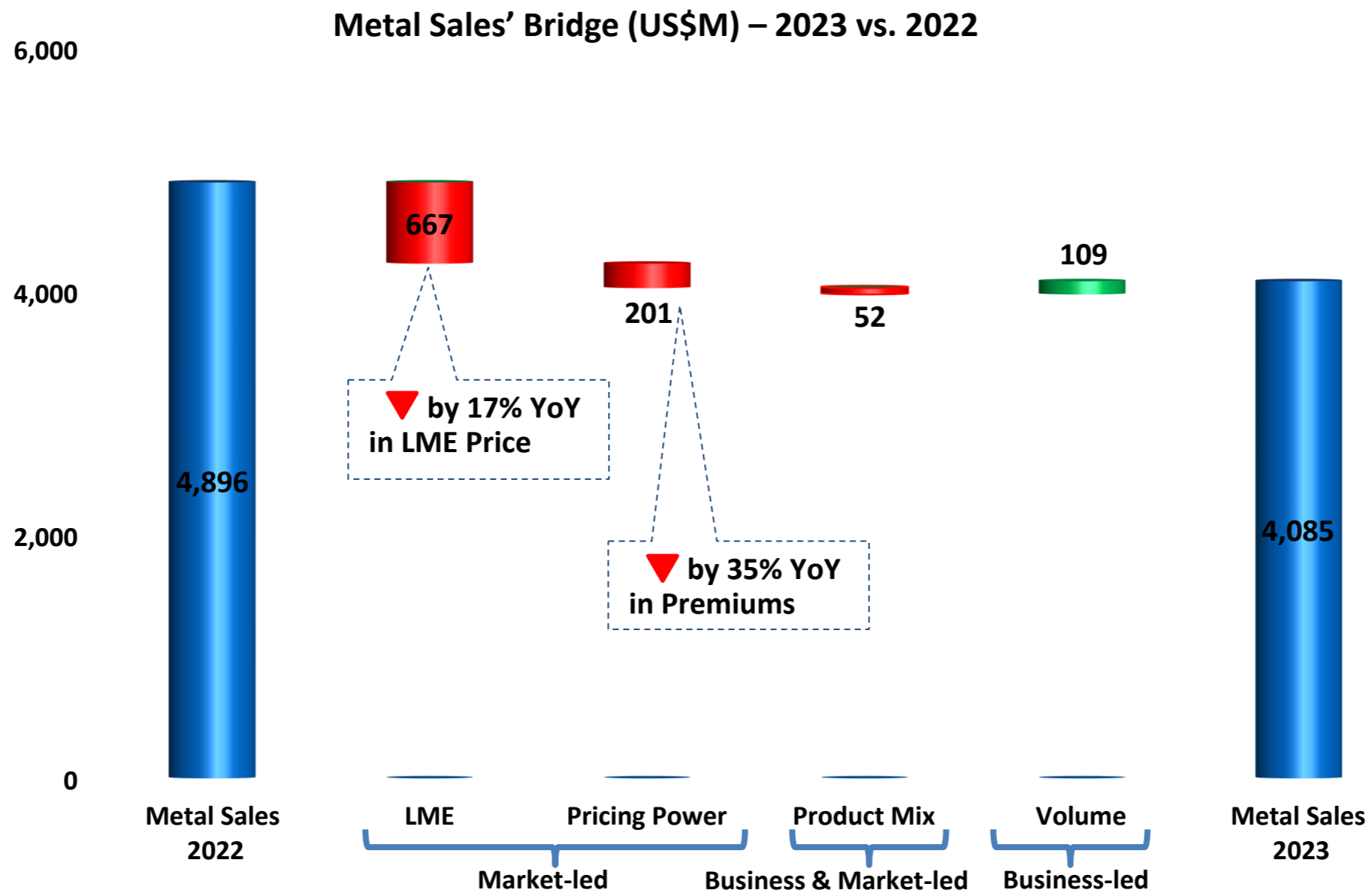


# 03

## 2023 RESULTS

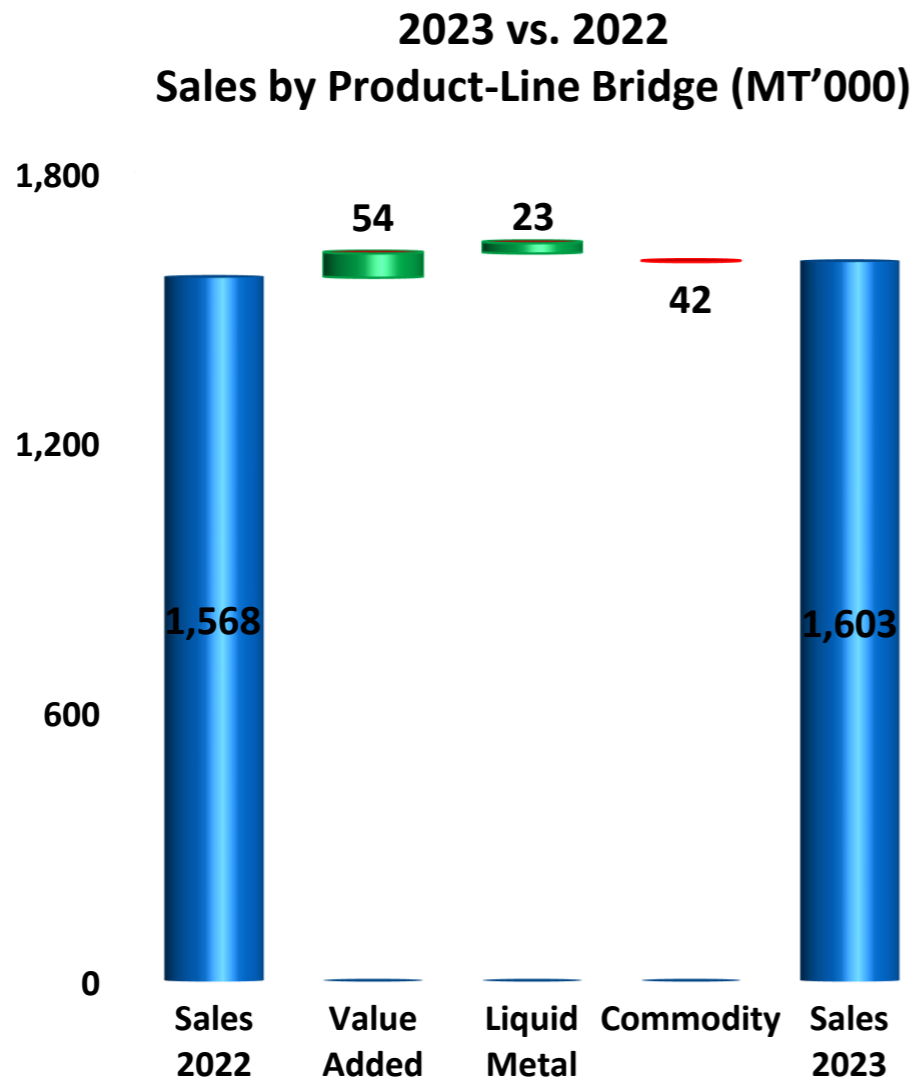
# Aluminium Industry: Volatile and Weak Market Sentiment

Lower Metal Sales Owing to Lower LME Price & Premiums

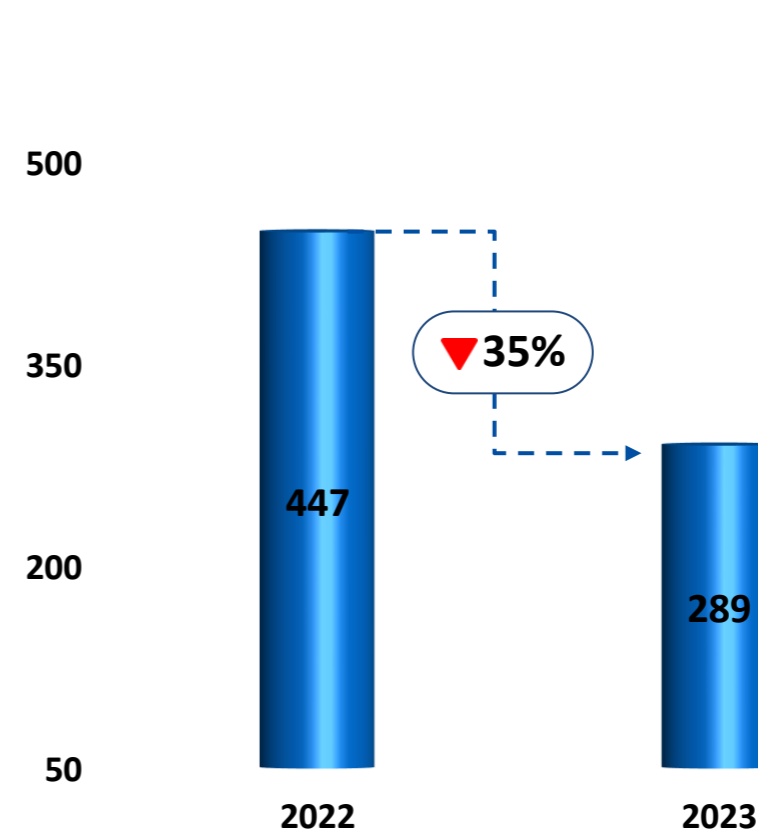


# Aluminium Industry: Volatile and Weak Market Sentiment

Higher VAP | Higher Liquid Metal | Lower Commodities' Volume



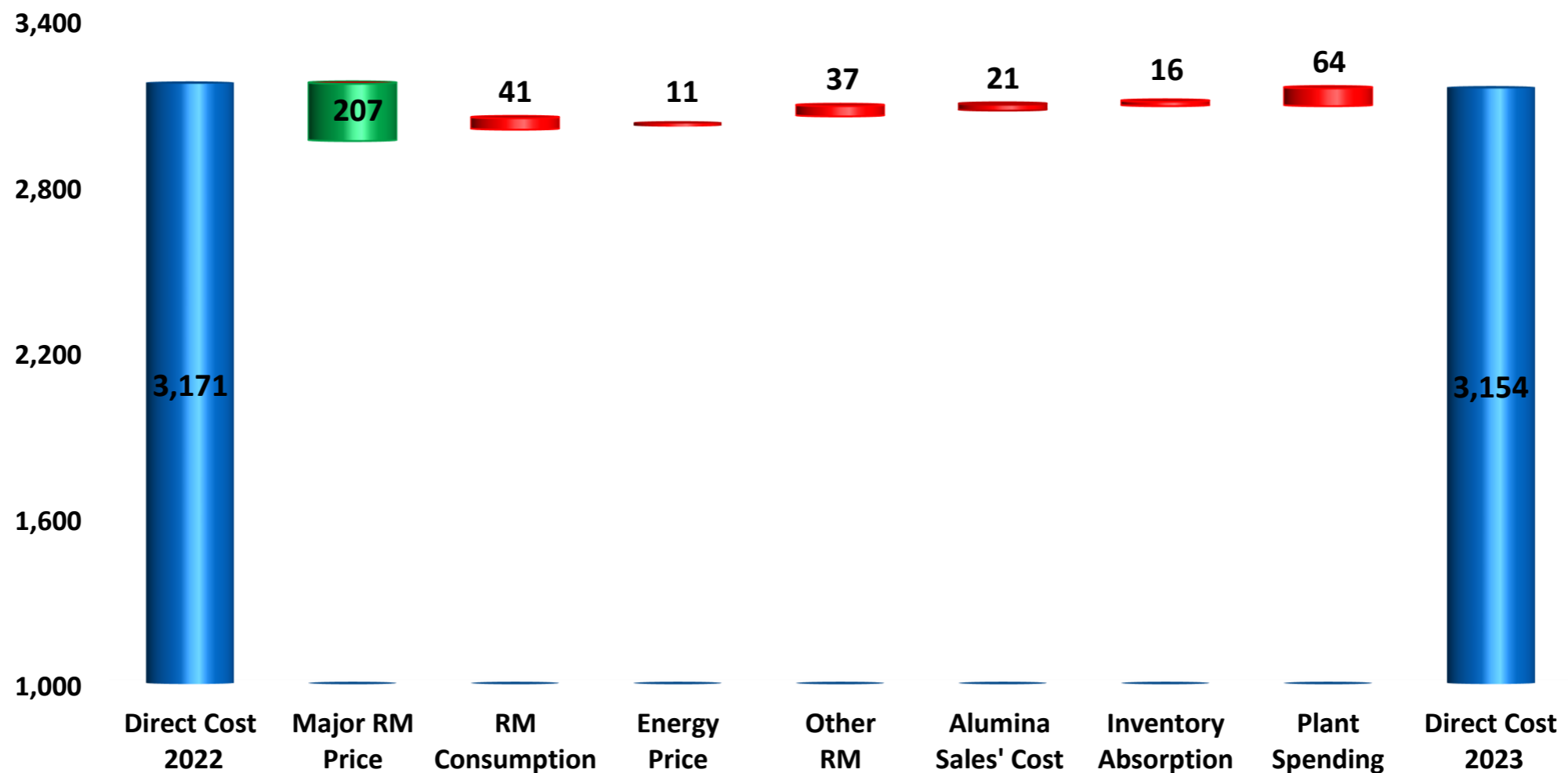
**Premium Above LME Trend US\$/MT**



# Aluminium Industry: Volatile and Weak Market Sentiment

Production Costs Lower Due to Lower Alumina Prices Despite Higher Throughput

2023 vs. 2022 - Direct Cost Bridge (US\$M)

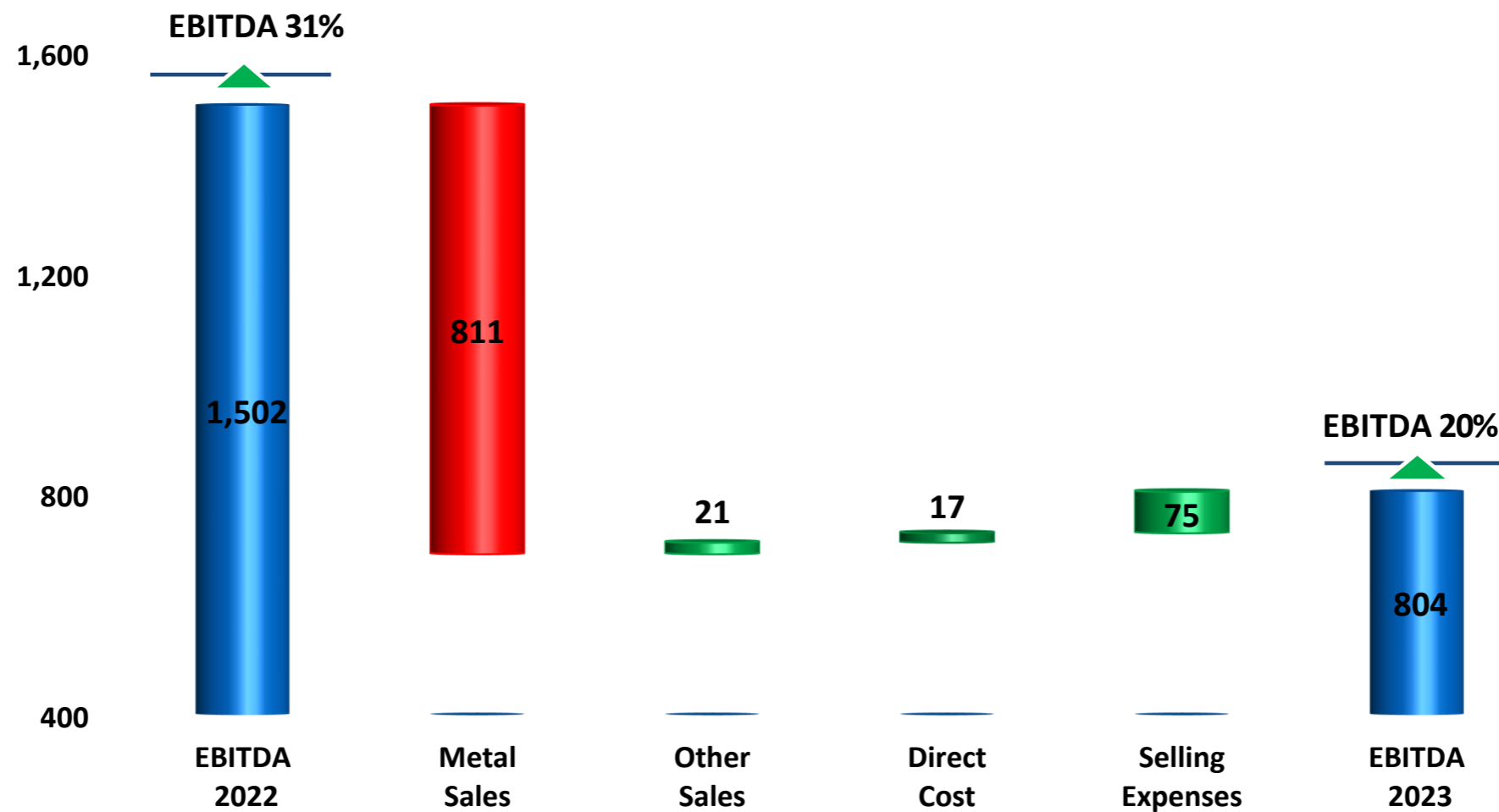




# Aluminium Industry: Volatile and Weak Market Sentiment

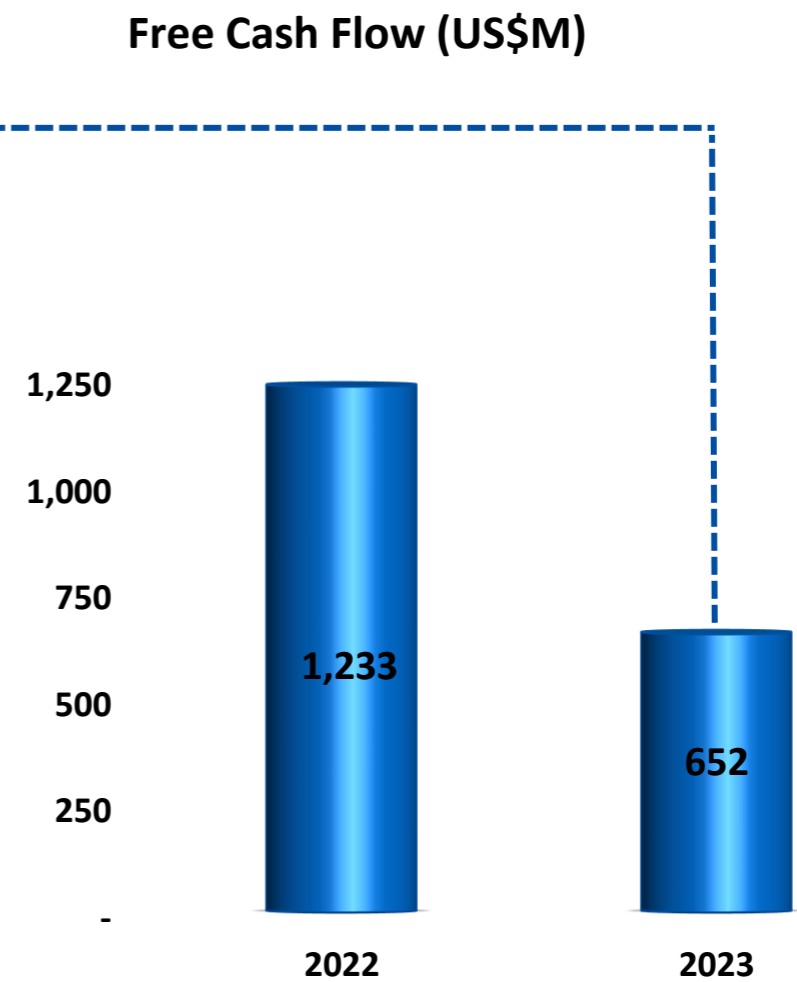
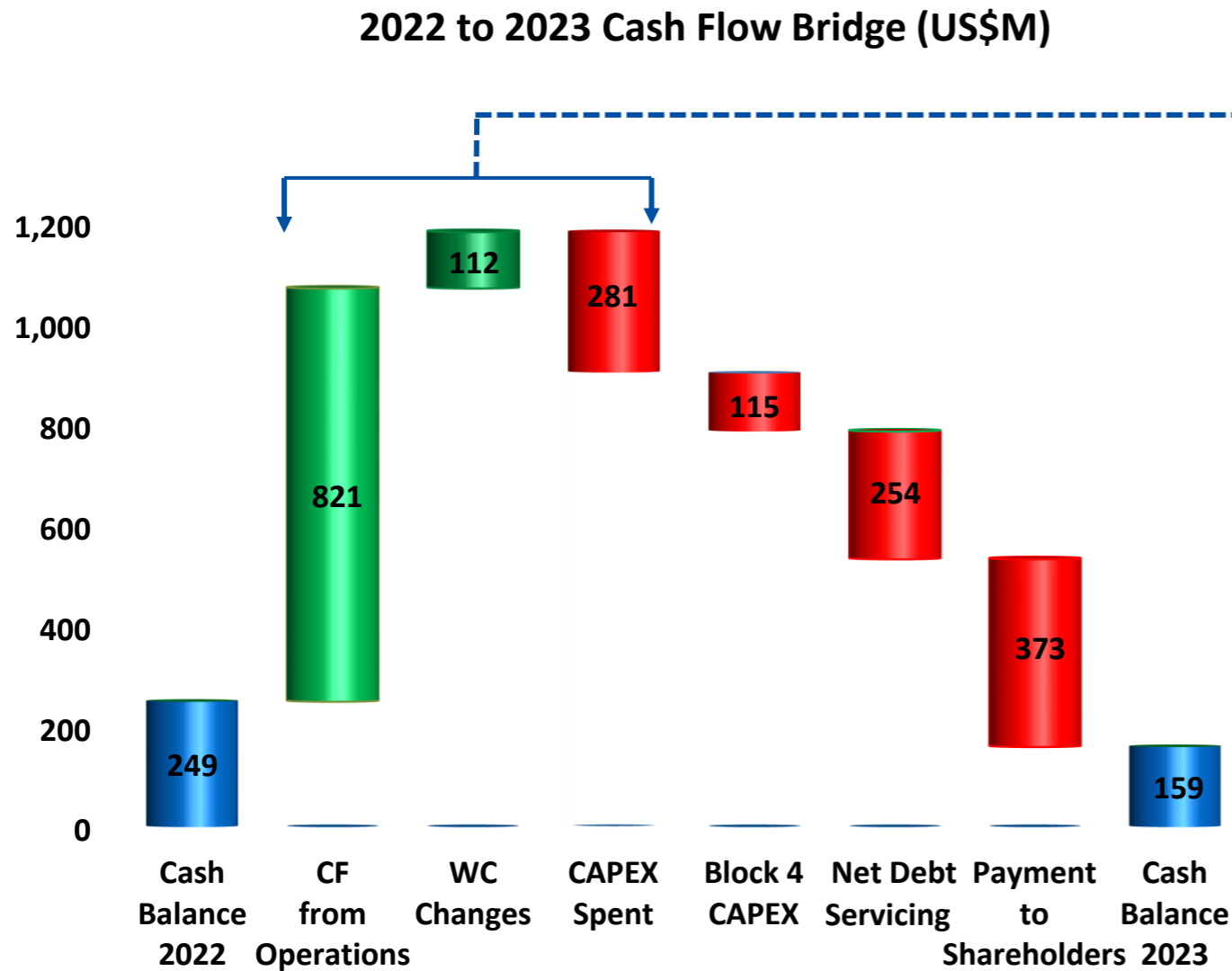
Lower EBITDA Owing to Double-Digit Drop-in LME Price & Premiums

2023 vs. 2022 - EBITDA Bridge (US\$M)



# Aluminium Industry: Volatile and Weak Market Sentiment

## Cash Flow Bridge 2022 to 2023



## Aluminium Industry: Volatile and Weak Market Sentiment

### Double Digit Fall in LME Price and Premiums Impact Financial Performance

Financial Summary	Q4 2023	Q4 2022	FY 2023	FY 2022
Average Cash LME (US\$/MT)	2,190	2,324	2,252	2,707
Average Alumina Price (US\$/MT)	361	370	362	420
Revenue <sup>1</sup> (US\$M)	1,029	1,230	4,106	4,896
EBITDA (US\$M)	203	222	804	1,502
EBITDA%	20%	18%	20%	31%
Profit (US\$M)	62	105	314	1,107
(Loss)/Gain Unrealised Derivatives	(2)	2	(3)	-
Adjusted Profit <sup>2</sup>	64	103	317	1,107



# 04

## INDUSTRY PERSPECTIVES<sup>1</sup> IN 2024

## Mixed Macroeconomic Outlook: Supply Constraints & Demand Upturn



- Global demand is expected to see a gradual rebound in the latter half of 2024 fueled by anticipated Chinese stimulus measures into their economy, prospects of interest rate cuts in the US boosting consumer spending and gradual recovery in Europe as consumption picks up after a sluggish start
- Russian aluminum exports to EU are likely to decline due to expected trade sanctions against Russia diverting exports to Asia particularly China
- US aluminum offtake is projected to grow in 2024 despite anticipated GDP slowdown, mainly driven by investments and expansions in casting, extrusions, and rolling sectors
- European demand is likely to remain passive in H1 2024 due to stagnant construction activity & high interest rates dampening business and consumer confidence
- Demand in China is expected to expand, despite a weak construction sector, thanks to growth in auto and renewable energy sectors
- Global supply chain challenges have improved, but some risks remain on routes like Panama and Suez Canals
- Bearish market sentiment is likely to persist with LME prices ranging between US\$2,000/t - US\$2,200/t

## Raw Materials Price Trends

- ① Alumina ( $\text{Al}_2\text{O}_3$ ) -- modest price hikes driven by increased demand China in anticipation of potential bauxite disruptions from West Africa
- ① Aluminium Fluoride ( $\text{AlF}_3$ ) -- prices to remain stable thanks to lower offers from China's downstream aluminium industry
- ① Carbon products (GPC, CPC & Anodes) -- prices are likely to remain low due to reduced downstream demand
- ① Liquid Pitch -- prices are to be in a downward trend (continuing from Q4 2023) and expected to remain soft due to reduced demand



# 05

## 2024 ALBA PRIORITIES<sup>1</sup>

## Evolving Beyond ESG & Safety Standards

- ① Advance a culture of Safety where every action reflects our commitment to zero harm
- ① Align with Bahrain's Objectives for 'Net Zero Emissions' by 2060 & embrace sustainability (from sourcing to delivery) across our operations
- ① Exceed 2023 Net Finished Production of 1,620,665 MT in 2024 and launch e-AL HASSALAH Savings Program
- ① Maintain active pursuit for sourcing Upstream to secure 1/3 Alumina Needs
- ① Leverage Aluminium Stewardship Initiative (ASI) and Ecovadis Certifications to unlock new markets and boost VAP Sales
- ① Complete PS5 Block 4 Project by Q4 2024 and Solar Farm by Q2 2024 to scale up our efficiency
- ① Complete Bechtel's Feasibility Study for Line 7 Class III by Q2 2024



## CEO Annual Majlis 2024



### SAFETY MIRROR

مرآة  
السلامة



### STRATEGY REFRESH

تطوير  
الاستراتيجية



### e-AL HASSALAH الحصالة الرقمية



### UPSKILLING & RESKILLING

تعزيز وصقل  
المهارات

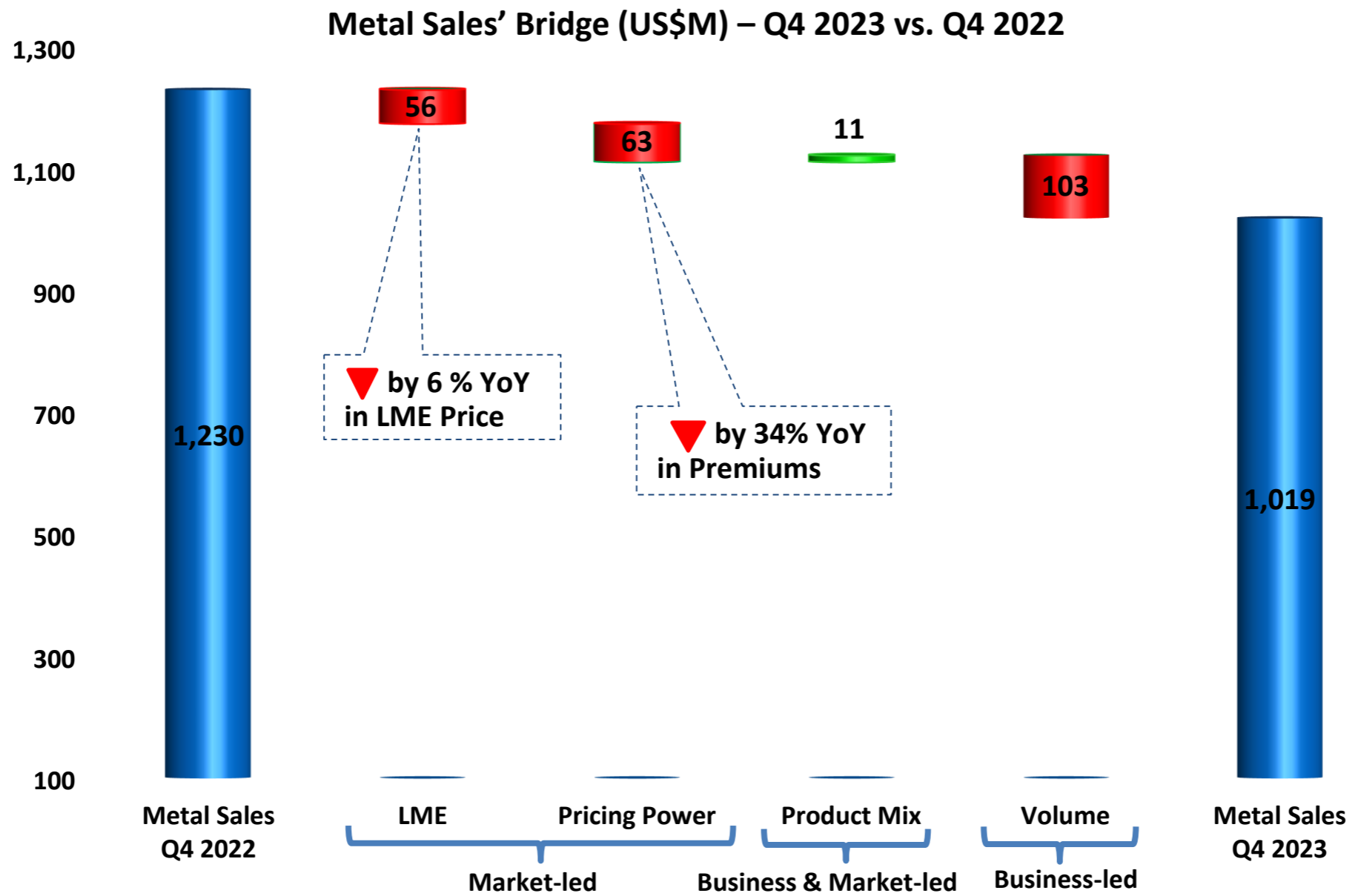


06

APPENDIX – Q4 2023

# Aluminium Industry: Volatile and Weak Market Sentiment

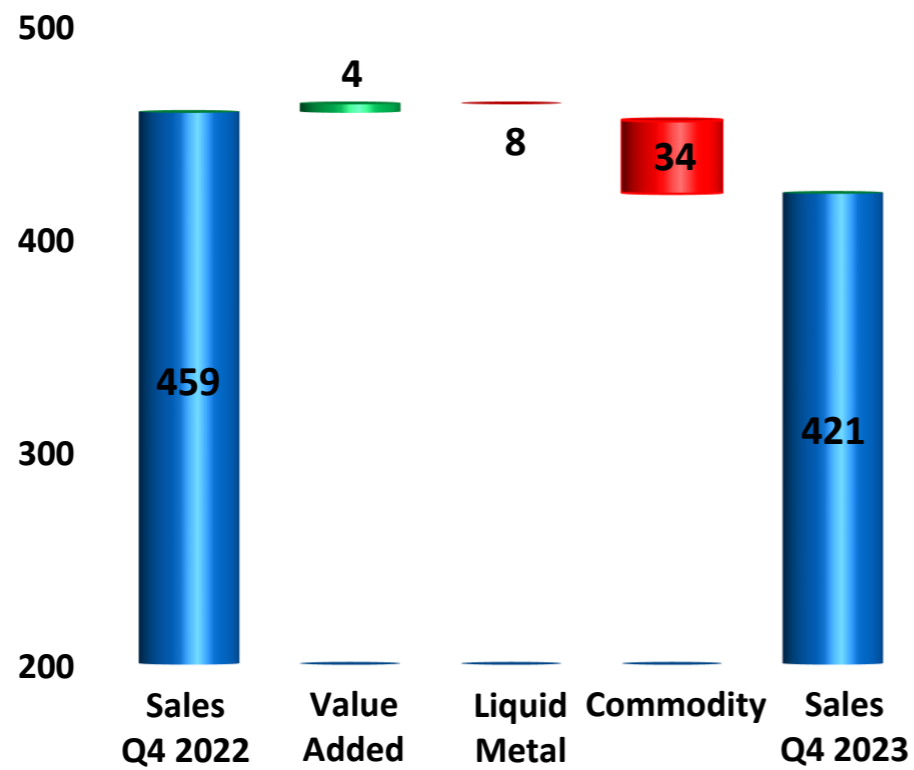
Lower Metal Sales due to Lower LME Price & Premiums



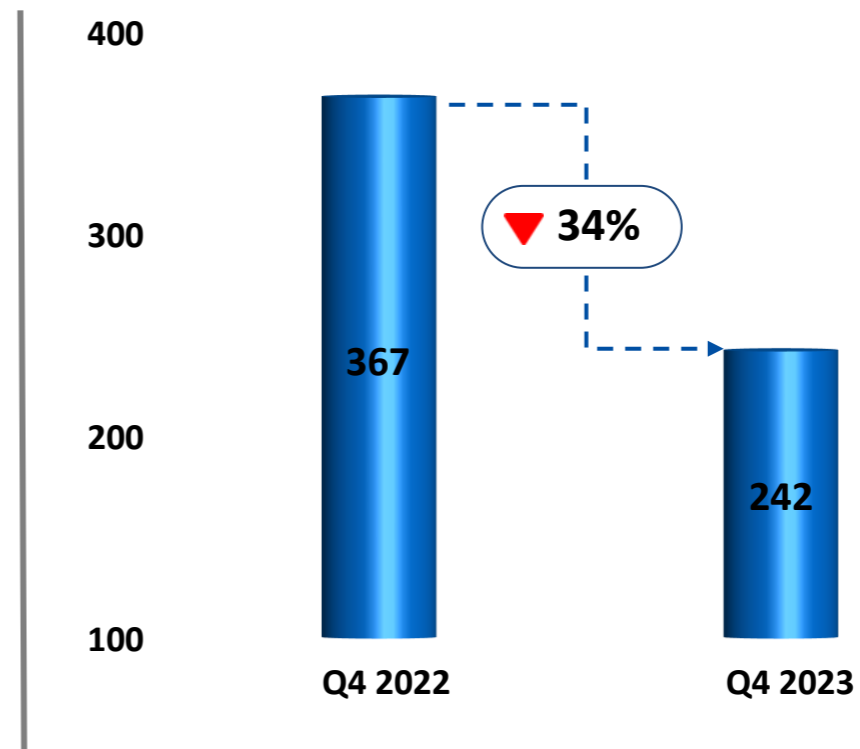
# Aluminium Industry: Volatile and Weak Market Sentiment

Higher VAP | Lower Liquid Metal | Lower Commodities' Volume

Sales by Product-Line Bridge (MT'000)  
Q4 2023 vs. Q4 2022



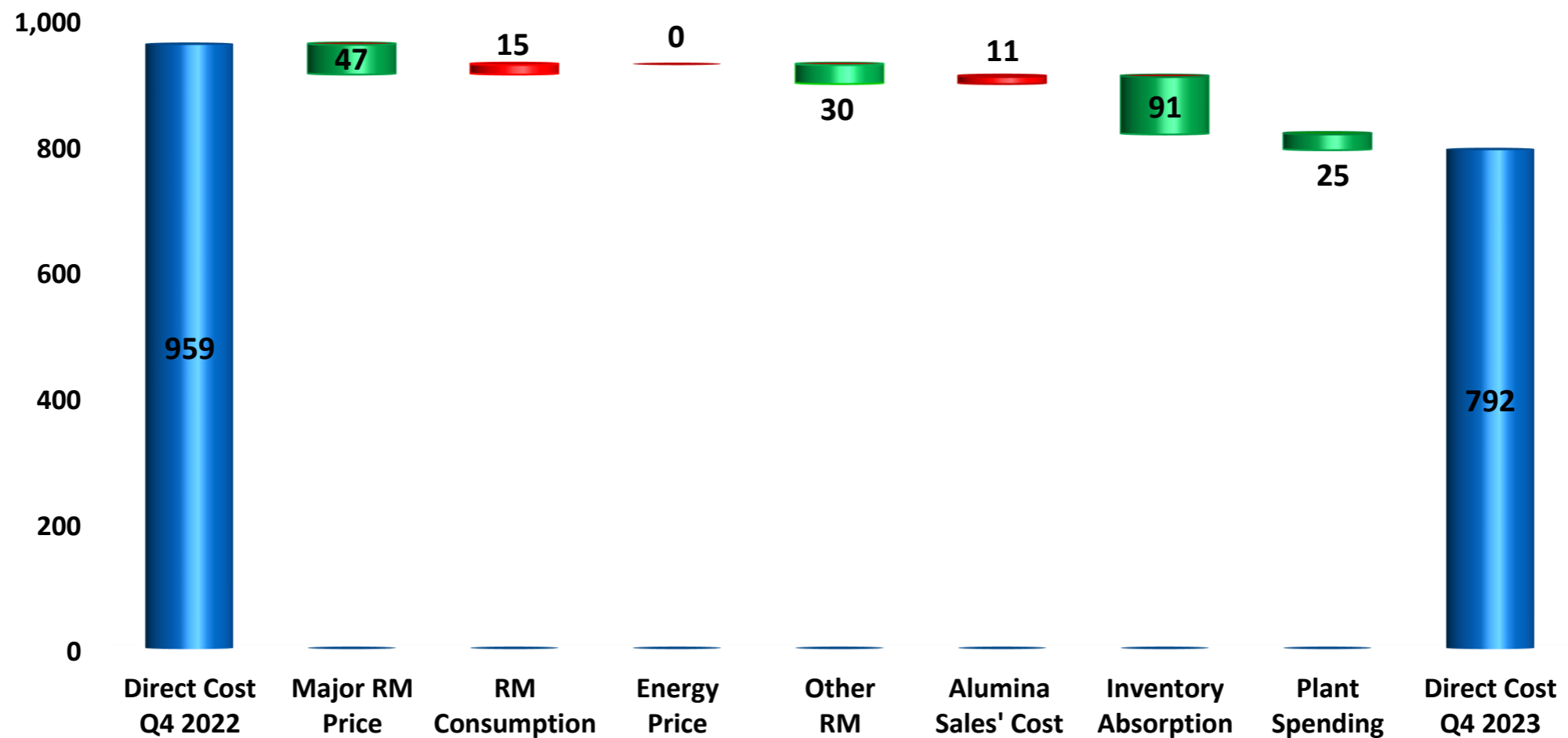
Premium Above LME Trend US\$ Per MT



## Aluminium Industry: Volatile and Weak Market Sentiment

Production Costs Lower Due to Lower Alumina Prices Despite Higher Throughput

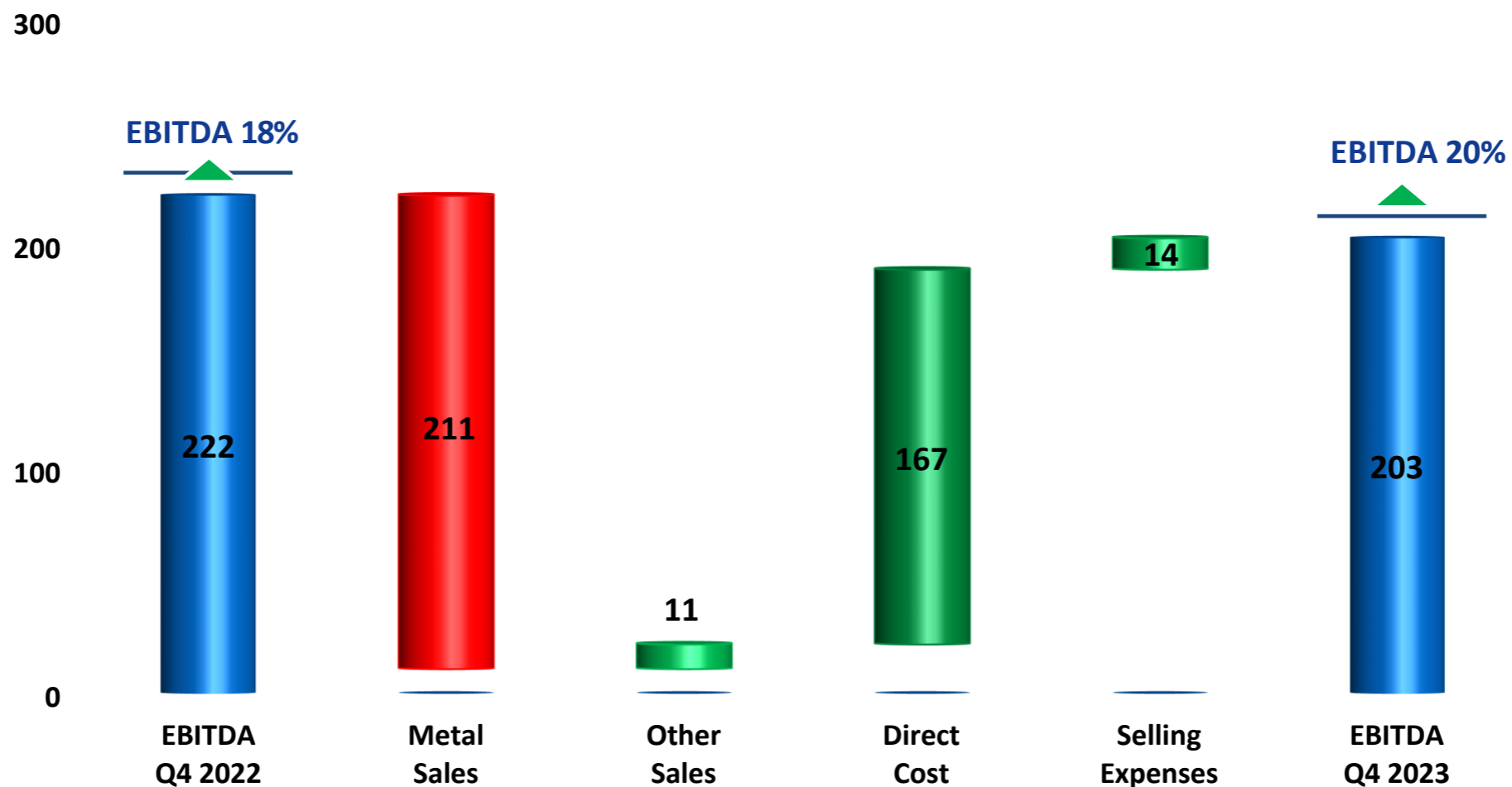
Q4 2023 vs. Q4 2022 - Direct Cost Bridge (US\$M)



## Aluminium Industry: Volatile and Weak Market Sentiment

Lower EBITDA Owing to Double-Digit Drop-in LME Price & Premiums Partially Offset by Lower Cost

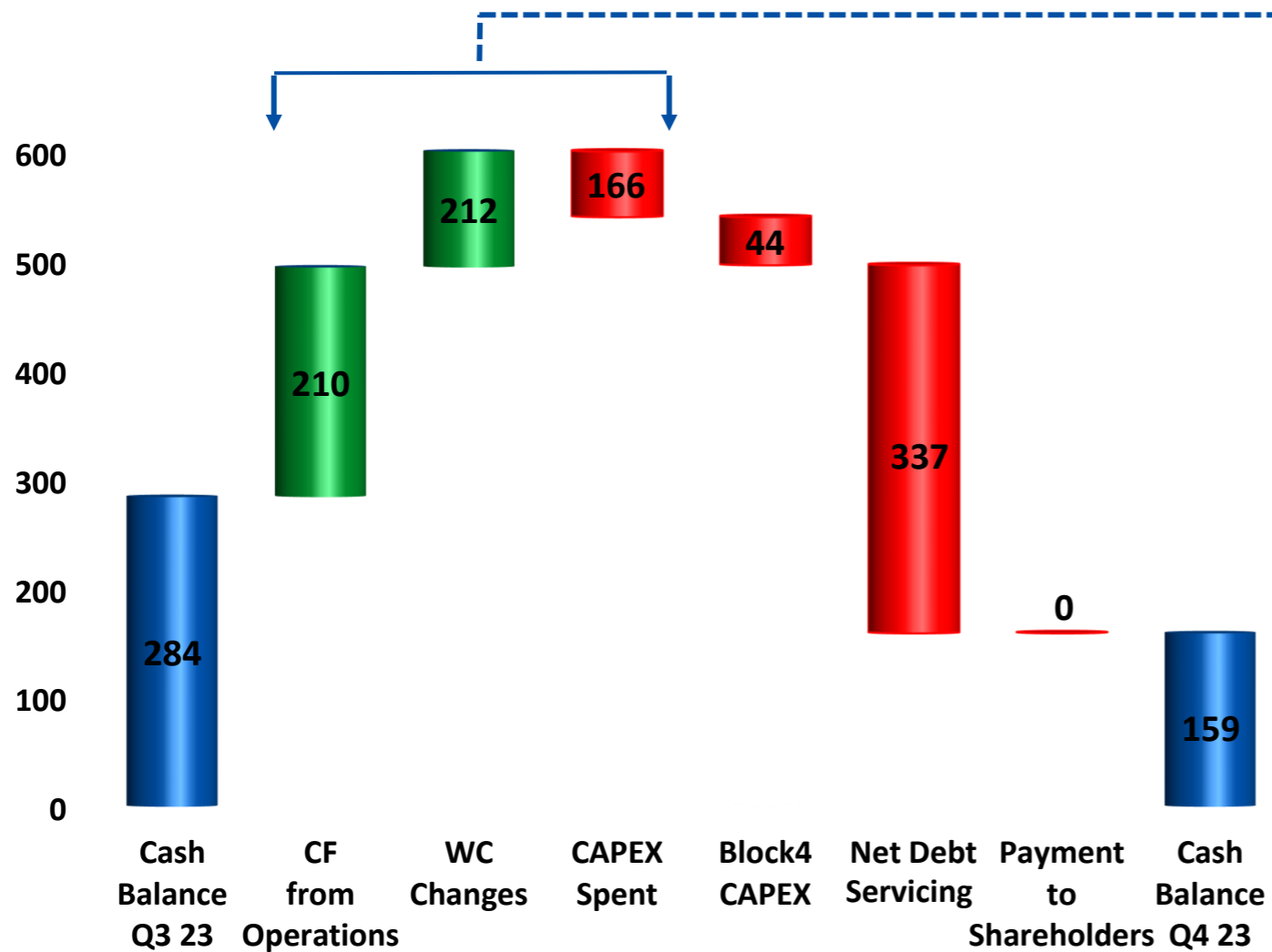
EBITDA Bridge (US\$M) – Q4 2023 vs. Q4 2022



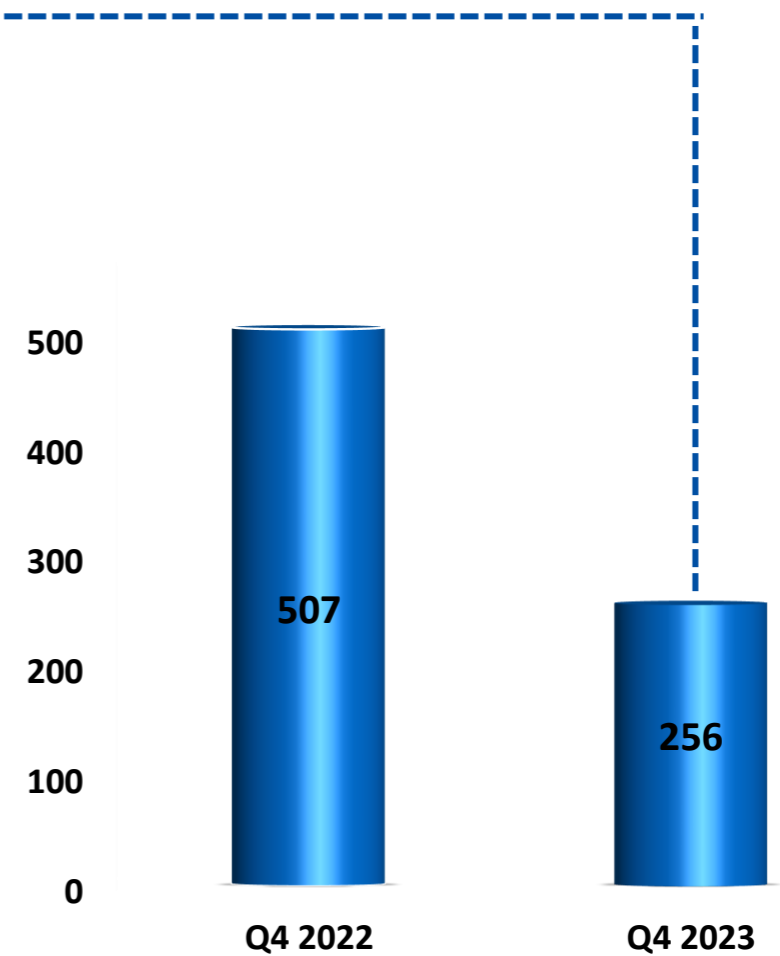
# Aluminium Industry: Volatile and Weak Market Sentiment

## Cash-Flow Bridge Q3 2023 to Q4 2023

Q3 2023 to Q4 2023 Cash-Flow Bridge (US\$M)



Free Cash Flow (US\$M)



## Alba Shareholder's Structure



- Alba was converted into a Bahrain Public Joint Stock Company on 23 November 2010
- Alba shares are listed on two exchanges: Ordinary Shares on Bahrain Bourse and Global Depository Receipts (GDRs) on the London Stock Exchange – Alternative Investment Market
- Alba Ticker [BHB: ALBH, BD 1.145 on 31 December 2023]





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