

The logo for Alba, featuring the word "Alba" in a stylized, bold, blue font.

Aluminium
for the world



INVESTOR RELATIONS PRESENTATION

Q2 2018



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INDUSTRY HIGHLIGHTS

¹ Industry Highlights are based on CRU analysis



Industry Highlights - Q2 2018

Global Physical Demand Remain Healthy

- 🪐 World consumption up by 5% YoY
- 🪐 MENA demand surge by +9% YoY driven by major infrastructure spending in Saudi Arabia (+20% YoY)
- 🪐 Demand in Asia up by 6% YoY supported by Chinese consumption (+6% YoY) on the back of real-estate developments
- 🪐 Europe consumption up by 3% YoY due to strong demand across building, construction and transport sectors
- 🪐 North America demand up by 3% YoY driven by auto production (heavy-duty trucks)



Industry Highlights - Q2 2018

Global Production Growth Flat

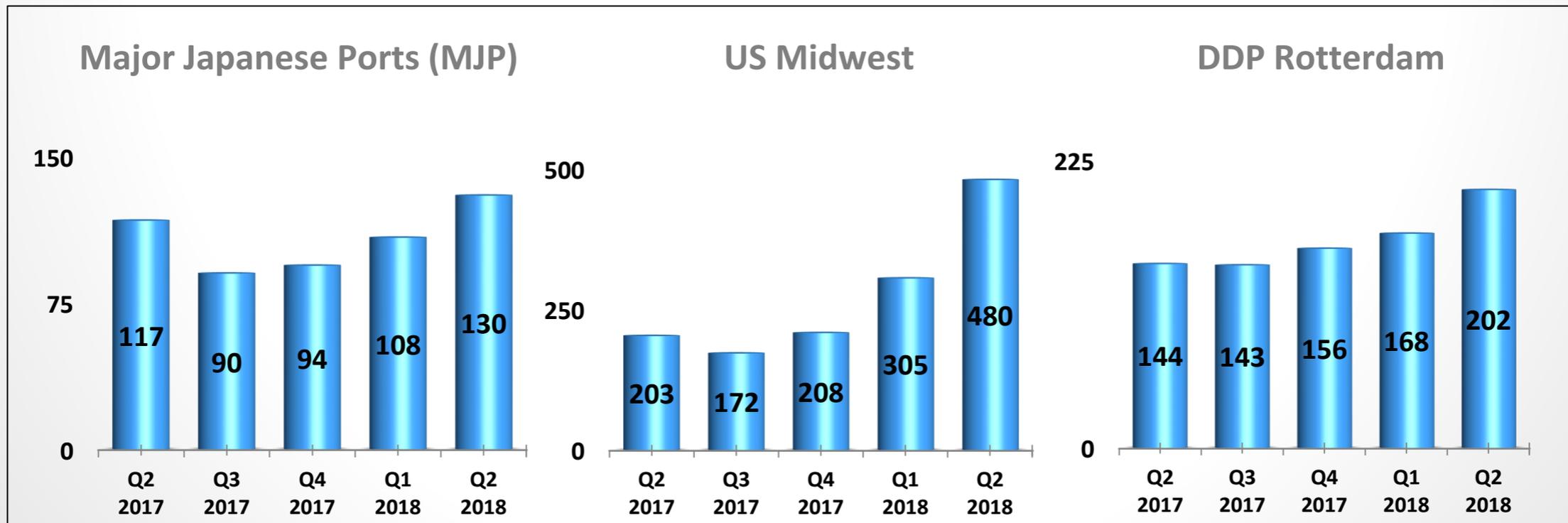
- 🪐 World production down by ~ 0.5% YoY
- 🪐 Asian supply almost flat & Chinese supply down by 2% YoY due to delays in smelters' ramp-up
- 🪐 Production in North America dropped by 5% YoY due to outages in Warrick and Sebree smelters
- 🪐 World market in deficit with China (-1,425 Kt) & (-959 Kt) without China



Industry Highlights - Q2 2018

LME & Premiums

- 🪐 Q2 2018 cash-average was \$2,259/t with LME ranging between \$1,967/t on April 6 and \$2,602/t on April 19
- 🪐 LME inventories at 1.1 million metric tonnes in June
- 🪐 Physical premium prices (\$/t) up driven by tight supply & Rusal sanctions



02

ALBA HIGHLIGHTS



Alba Highlights - Q2 2018

Operational Highlights & Milestones

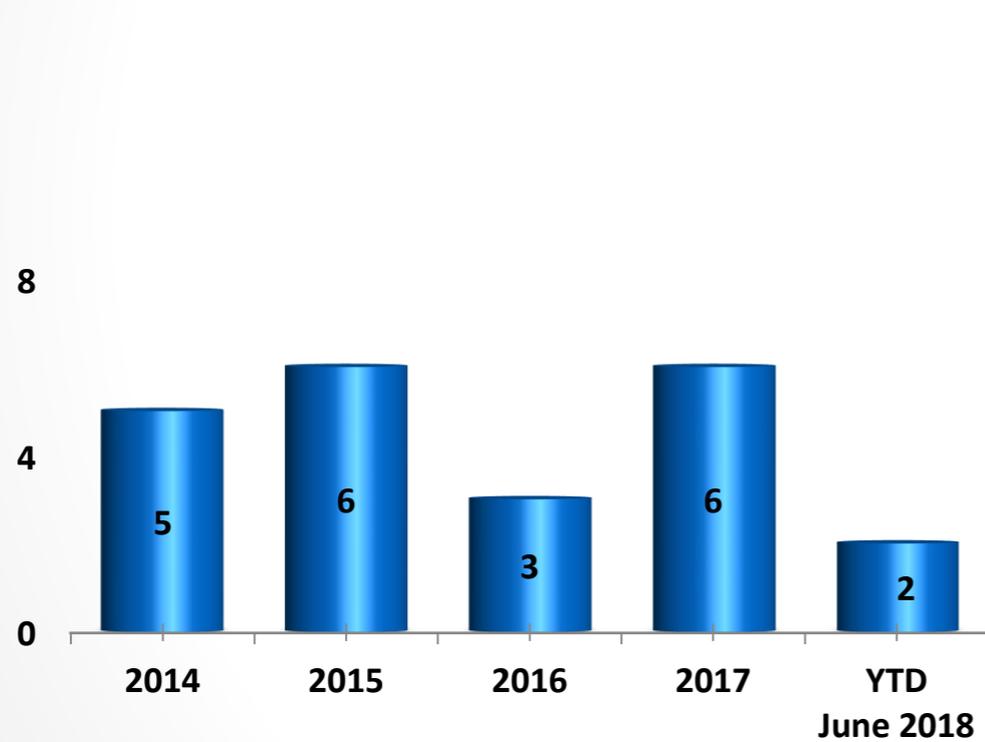
- 🪐 Launch of Summer Safety Campaign 'Selfie Safety'
- 🪐 Production up by 23% YoY (252,081 mt) while Sales volume up by 19% YoY (249,595 mt)
- 🪐 Alba Value-Added Sales averaged 60% of total shipments in Q2 2018
- 🪐 Line 6 Expansion Project in progress:
 - Closed first part of 2nd tranche ECA-covered facilities (EUR 204.5 million)
 - Line 6 Smelter [overall progress > 61%]
 - Power Expansion Project [PS 5 & PDS overall progress: 63% & 91%]



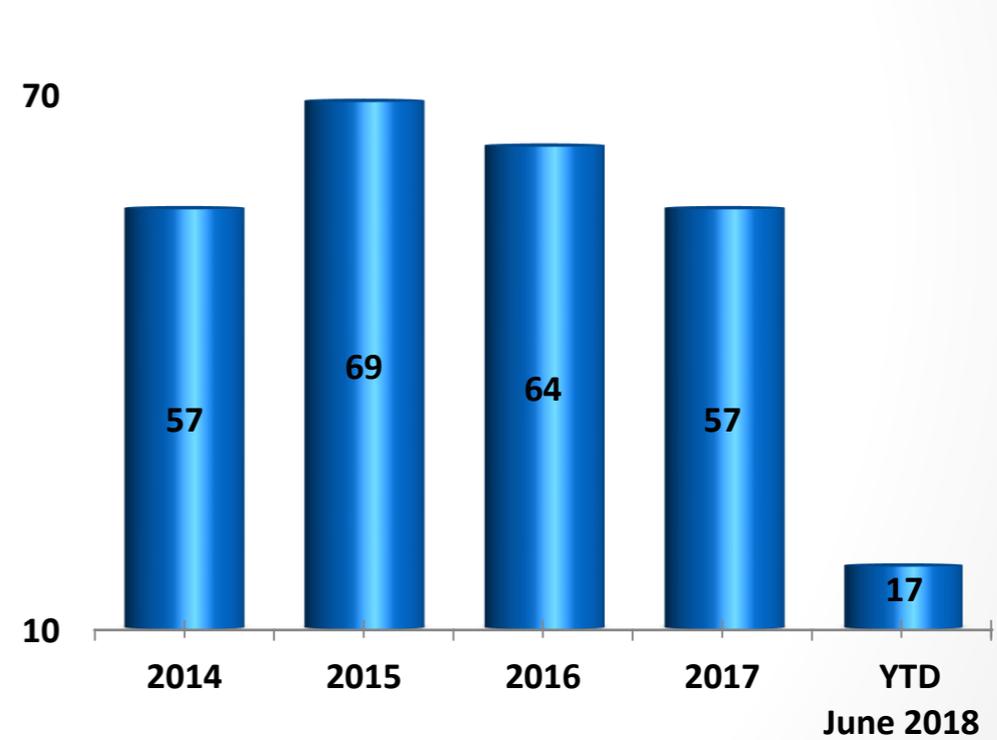
Alba Highlights - Q2 2018

Safety in Focus - Safety Selfie

Lost Time Injury (LTI) Trend



Total Injuries Trend



Alba Highlights - Q2 & H1 2018

Financial Key Performance Indicators

- 🪐 **EBITDA up due to higher LME prices & impact of Line 5 recovery in Q2 2017**
- 🪐 Q2: US\$ 117 million up by 22% YoY
- 🪐 H1: US\$ 242 million up by 15% YoY
- 🪐 **Net Income up supported by higher EBITDA levels**
- 🪐 Q2: US\$ 77 million up by 65% YoY
- 🪐 H1: US\$ 155 million up by 46% YoY
- 🪐 **Free-Cash Flow¹ up due to higher LME prices & impact of Line 5 recovery in Q2 2017**
- 🪐 Q2: US\$ 250 million
- 🪐 H1: US\$ 383 million

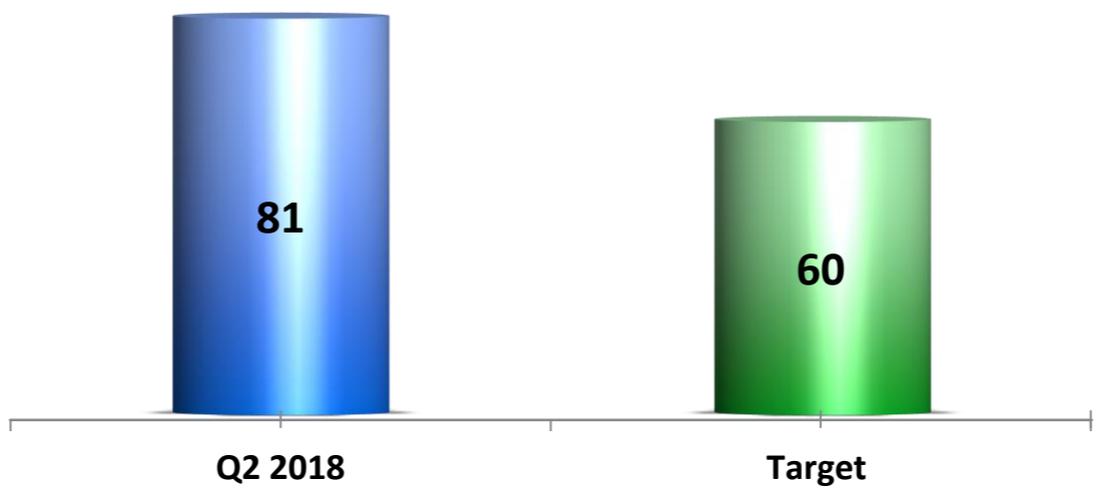




Alba Highlights – Q2 2018

Project Titan - Phase III: Improve Cash Cost Structure by US\$ 60/MT
Q2 2018: Achieved Savings of US\$ 81/ MT

Project Titan - US\$ per MT



*Savings from Project Titan represent the **annual US\$ cost per mt** improvement once all projects are fully implemented



03

Q2 2018 RESULTS

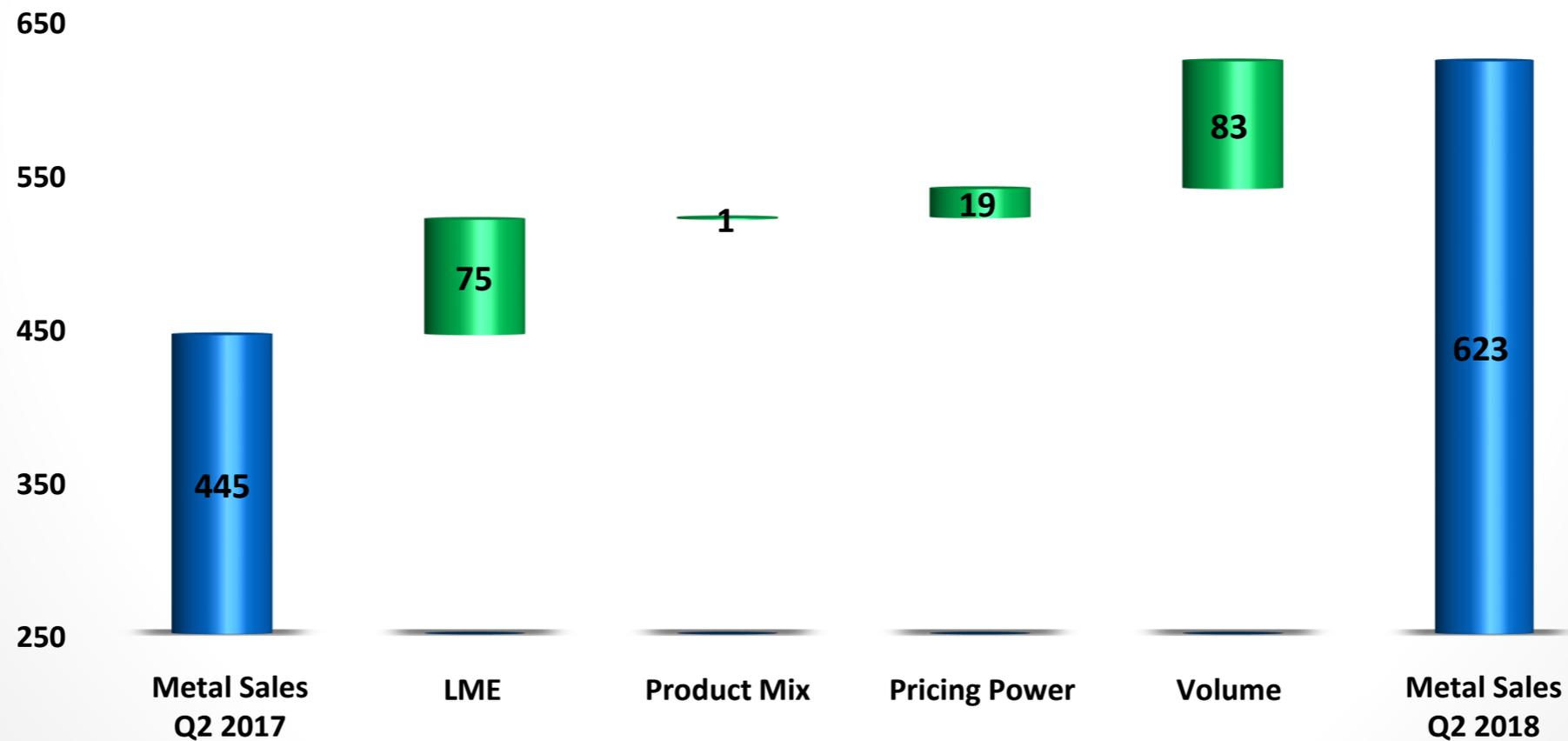


Q2 2018 Results

Aluminium Industry: Higher Prices on Market Volatility & Trade Wars

Sales Bridge Analysis Q2 2018 vs. Q2 2017
Higher Sales Volume Due to Line 5 Recovery in 2017 & Higher LME Prices

Q2 2018 vs. Q2 2017 - Metal Sales Bridge (US\$M)

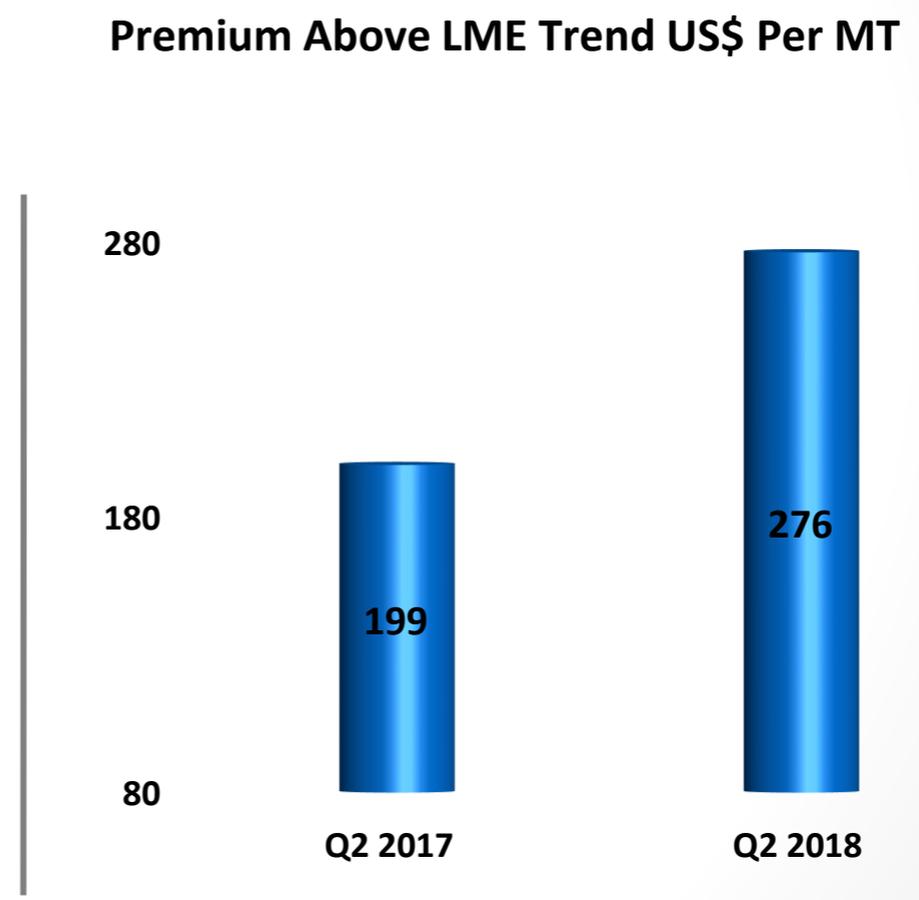
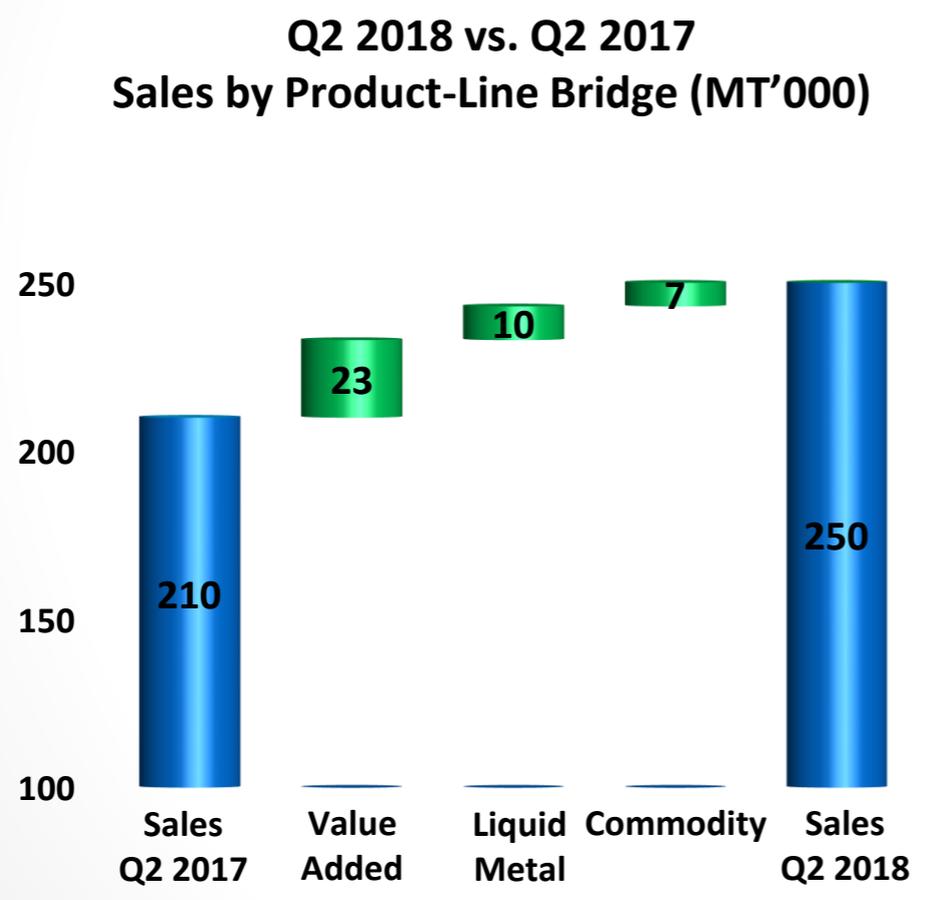




Q2 2018 Results

Aluminium Industry: Higher Prices on Market Volatility & Trade Wars

Higher Sales Volume Due to Line 5 Recovery in 2017 & Higher LME Prices

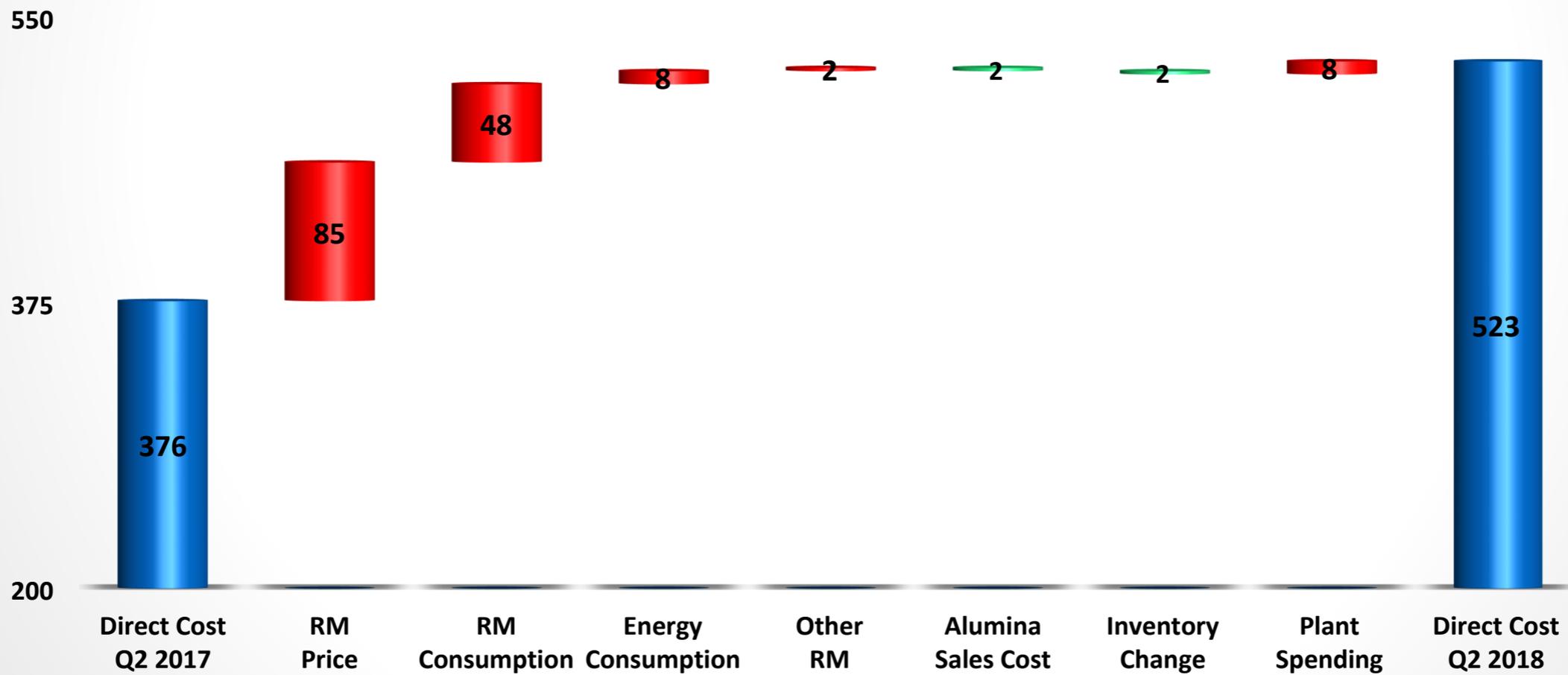


Q2 2018 Results

Aluminium Industry: Higher Prices on Market Volatility & Trade Wars

Cost Analysis Q2 2018 vs. Q2 2017: Higher Raw Materials Prices

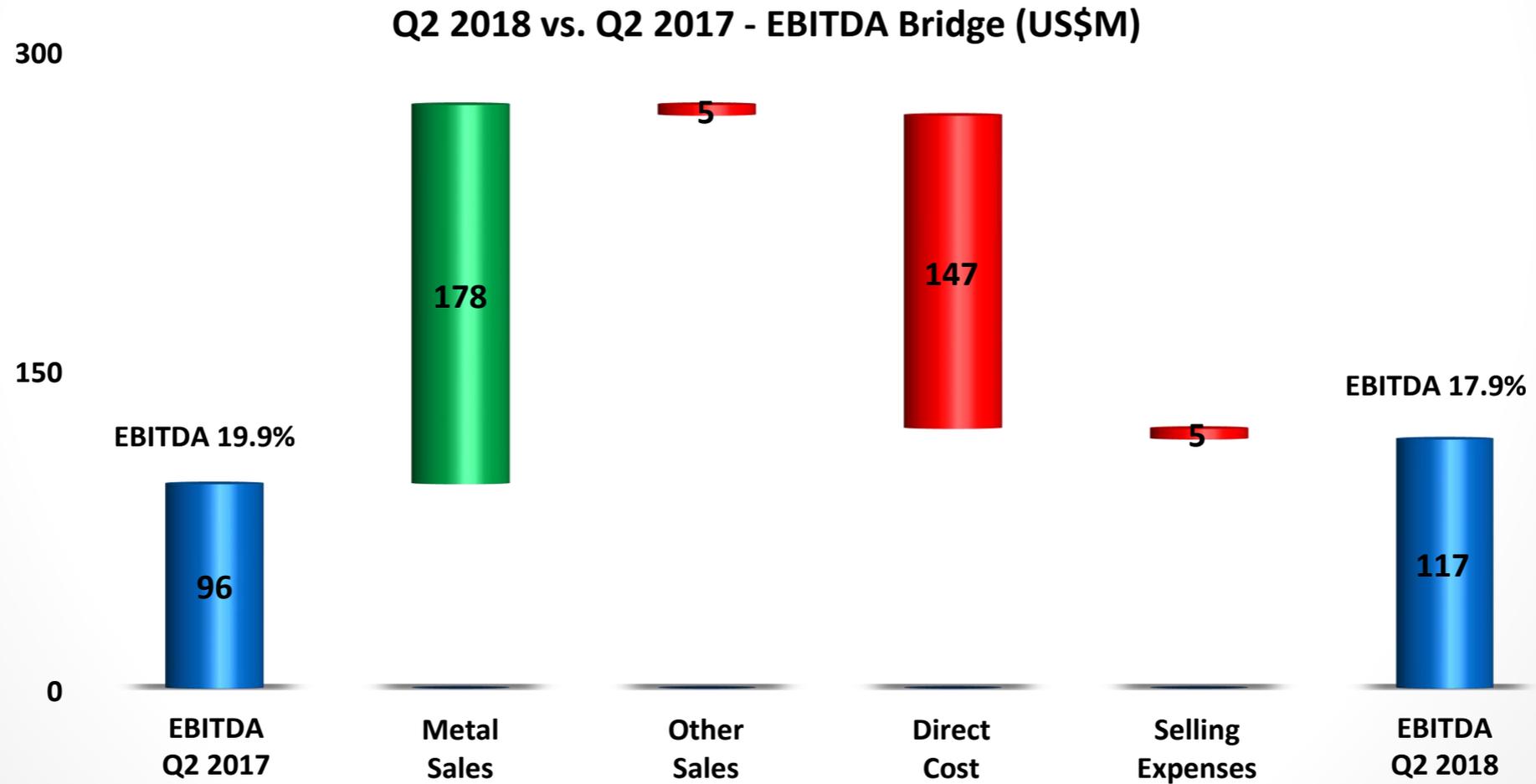
Q2 2018 vs. Q2 2017 - Direct Cost Bridge (US\$M)



Q2 2018 Results

Aluminium Industry: Higher Prices on Market Volatility & Trade Wars

Favourable Management Performance
EBITDA Margin at 17.9%

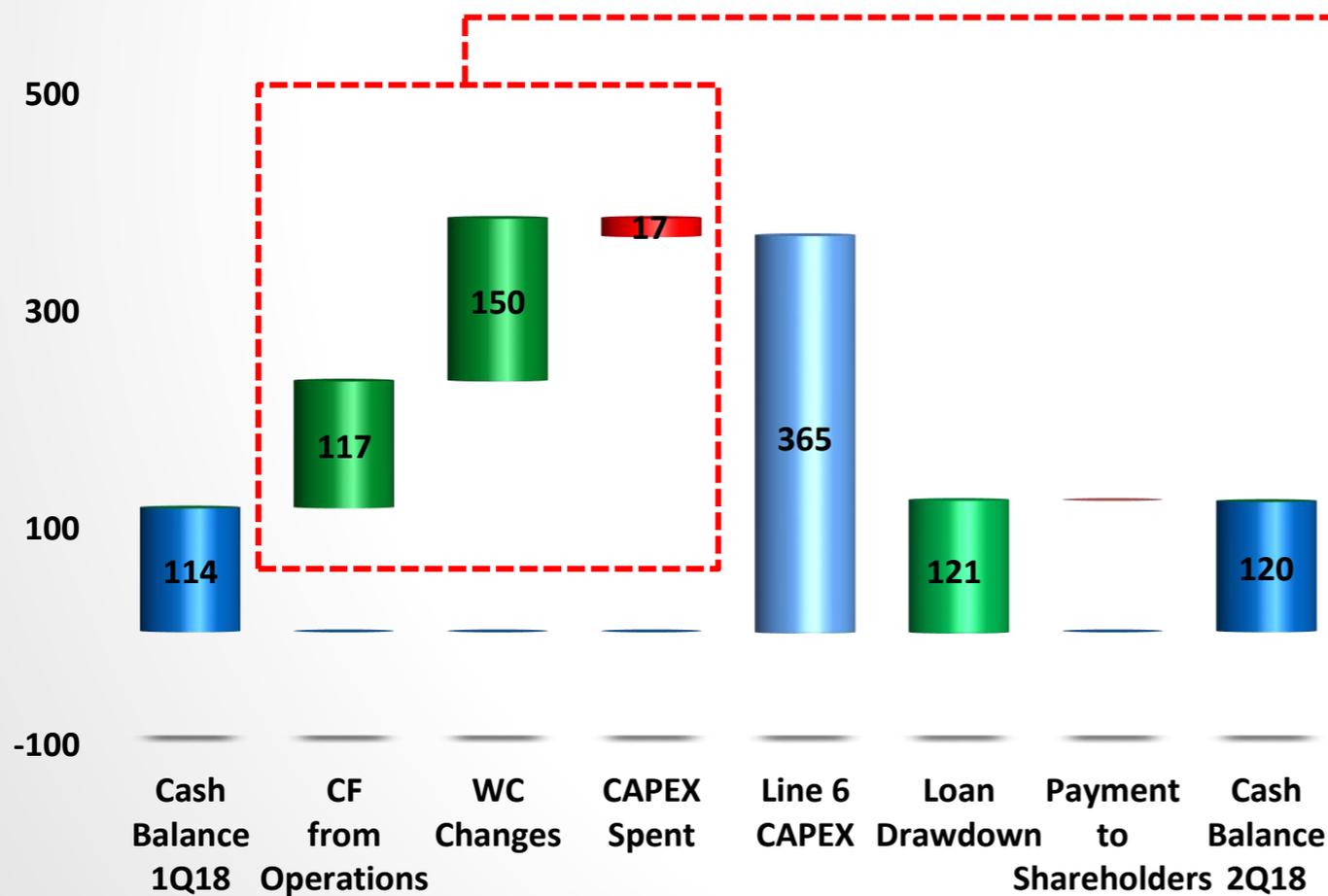


Q2 2018 Results

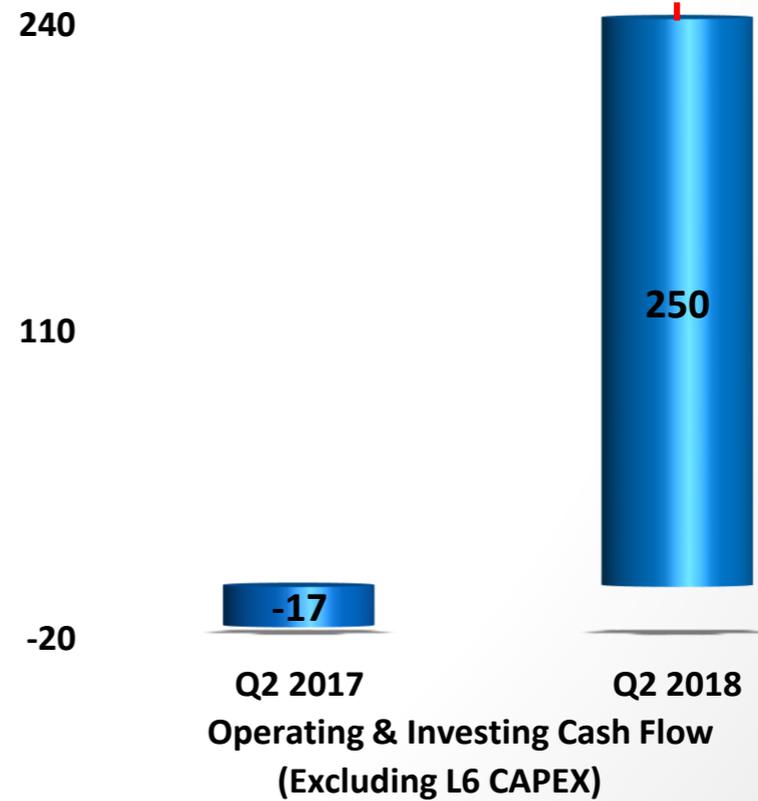
Aluminium Industry: Higher Prices on Market Volatility & Trade Wars

Cash Flow Bridge - Q1 2018 to Q2 2018: Maintain Good Cash Position

Q1 2018 to Q2 2018 Cash Flow Bridge (US\$M)



Free Cash Flow (US\$M)



Q2 2018 Results

Aluminium Industry: Higher Prices on Market Volatility & Trade Wars

Solid Management Performance Coupled With Higher LME Prices

Financial Summary	Q2 2018	Q2 2017	H1 2018	H1 2017
Average Cash LME (US\$/MT)	2,259	1,911	2,209	1,880
Total Sales (US\$M)	653	480	1,254	996
EBITDA (US\$M)	117	96	242	210
EBITDA%	17.9%	19.9%	19.3%	21.1%
Net Income/ (Loss) (US\$M)	77	47	167	115



04

INDUSTRY PERSPECTIVES IN 2018



Industry Perspectives in 2018

Physical Demand to Remain Healthy

- 🪐 **Key factors to be observed:**
- 🪐 LME volatility to continue on the back of trade-war tensions and stronger US\$
- 🪐 Consumption to slow-down in China while Europe and North America to maintain healthy growth
- 🪐 Global market to face supply shortages
- 🪐 Physical premiums to remain tight
- 🪐 LME price expected to range between \$2,000/t - \$2,100/t



Industry Perspectives in 2018

Raw Materials Price Trends

- 🪐 Spot alumina prices to remain high pending resolution of Alunorte's production cutbacks
- 🪐 Green Petroleum Coke (GPC) price to remain at the higher range led by Chinese environmental regulations and supply constraints
- 🪐 Liquid pitch & Aluminium Fluoride prices to slightly soften in the second half of 2018



05

2018 ALBA PRIORITIES



2018 Alba Priorities

Sustainable Improvement & Preparation for Future growth

- ♁ Continued focus on Safety initiatives
- ♁ Deliver on Project Titan - Phase III [2018: 1 Million MT & US\$ 60/t]
- ♁ Leverage strong demand on Value-Added Sales
- ♁ Focus on future upstream opportunities
- ♁ Prepare for the start-up of Line 6
 - Close final part of 2nd ECA-covered facility tranche
 - Award remaining packages within 2nd half of 2018



06

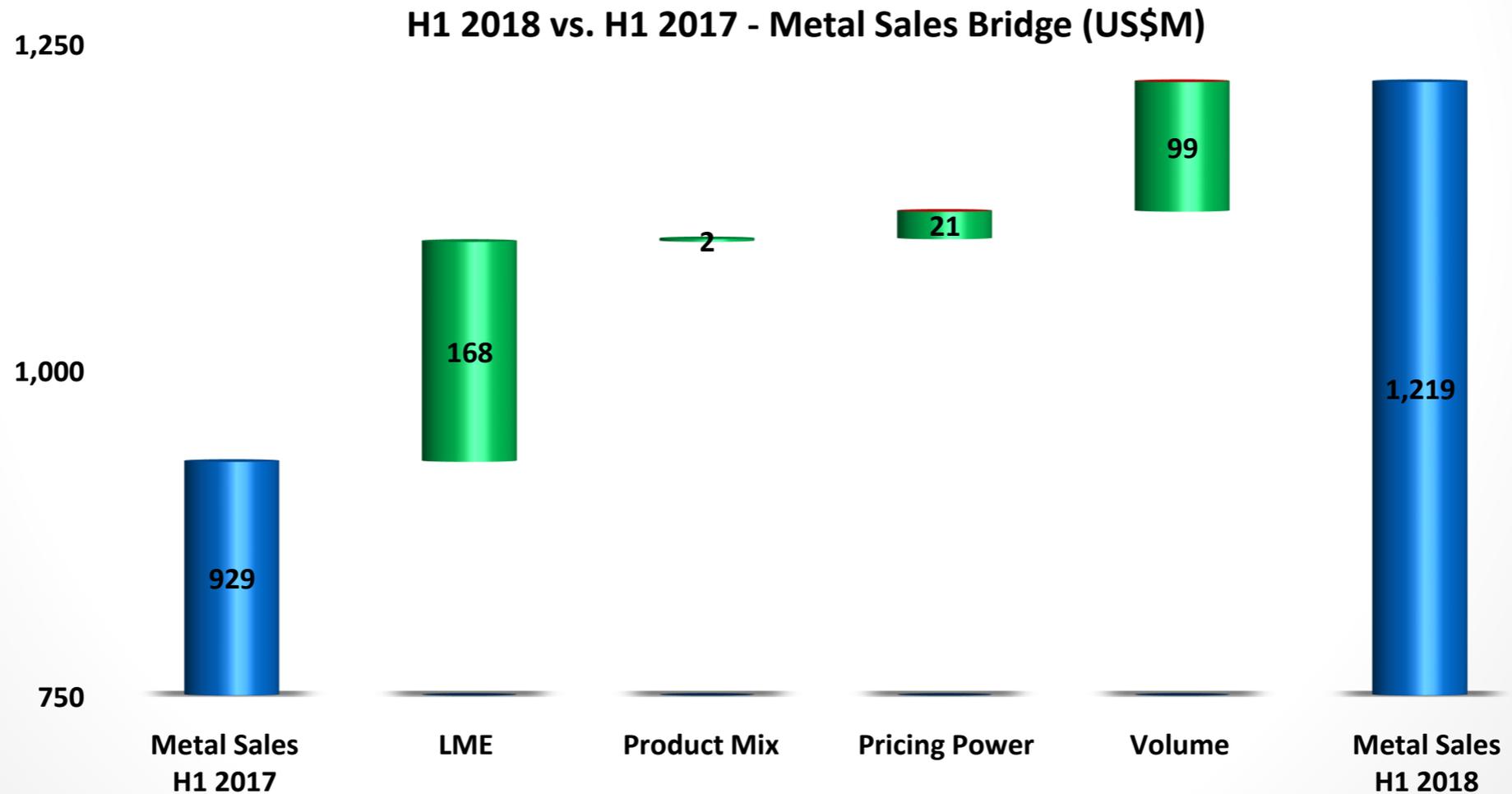
APPENDIX



H1 2018 Results

Aluminium Industry: Higher Prices on Market Volatility & Trade Wars

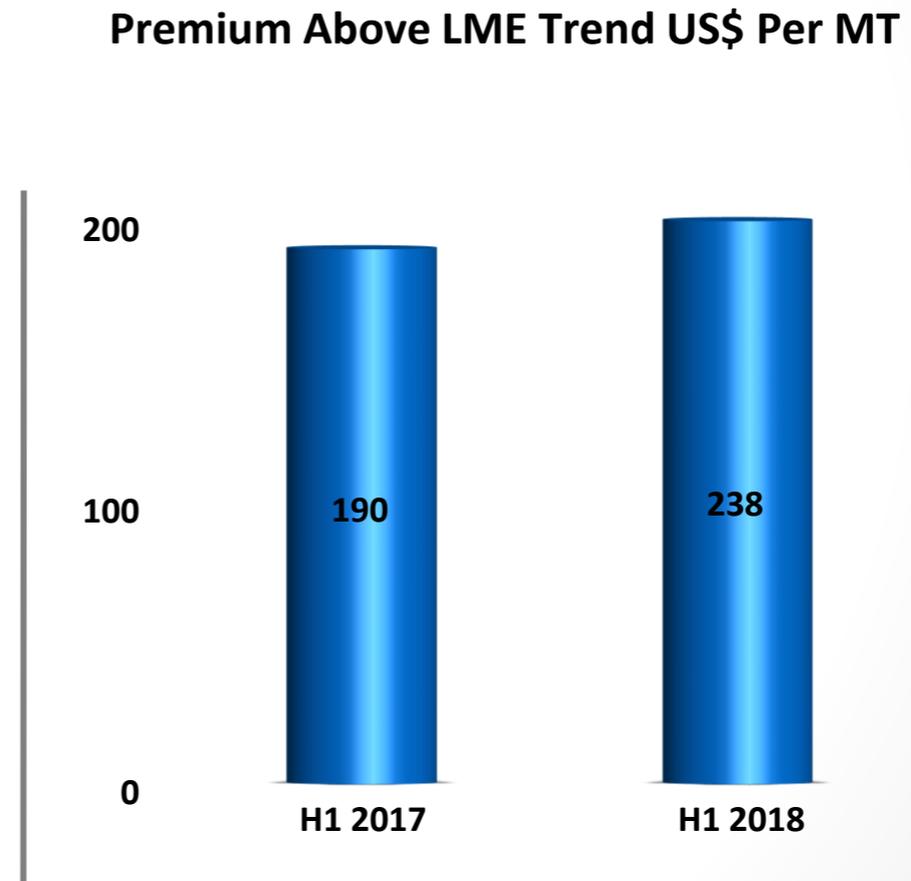
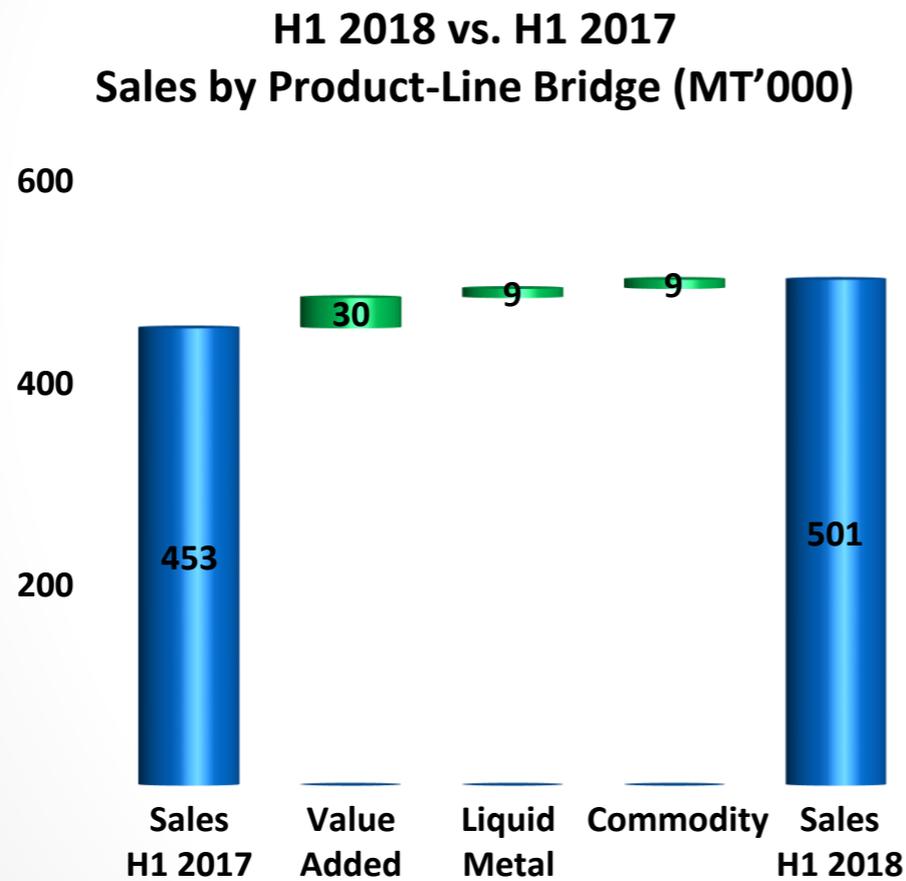
Sales Bridge Analysis H1 2018 vs. H1 2017
Higher Sales Volume Due to Line 5 Recovery in 2017 & Higher LME Prices



H1 2018 Results

Aluminium Industry: Higher Prices on Market Volatility & Trade Wars

Higher Sales Volume Due to Line 5 Recovery in 2017 & Higher LME Prices

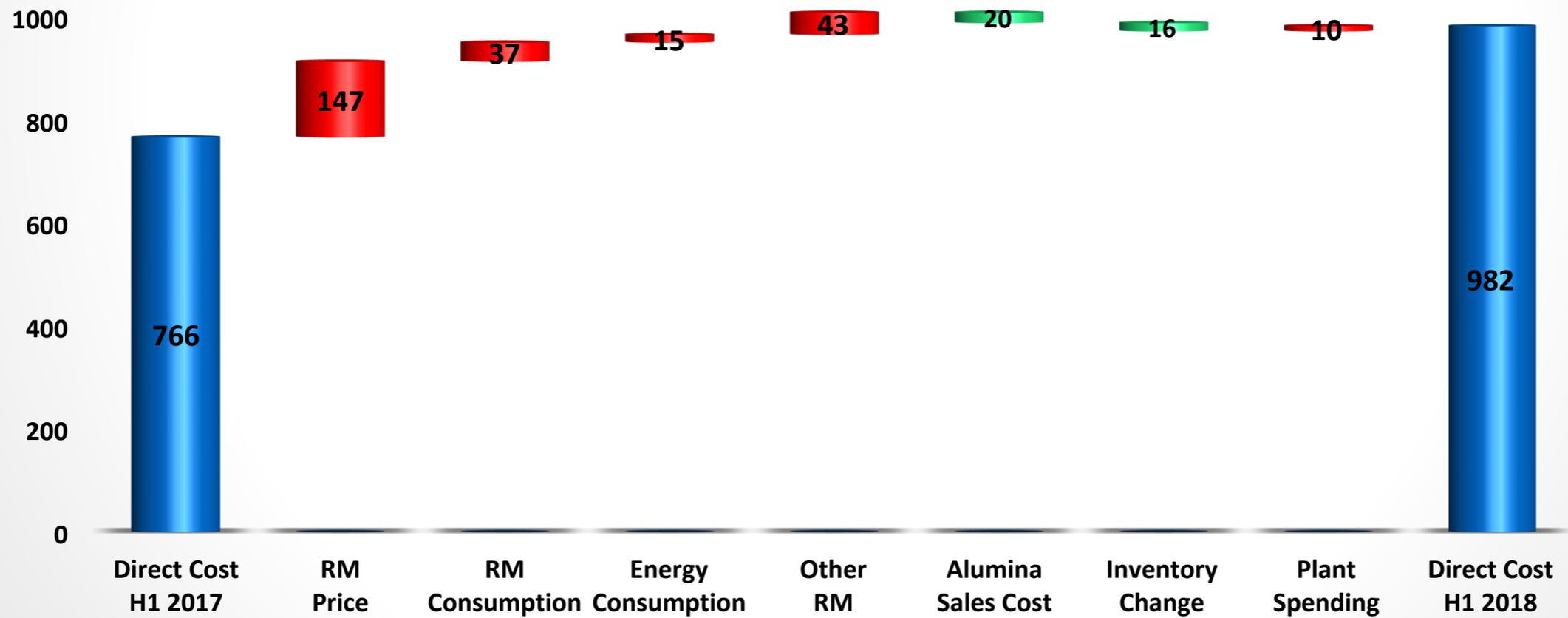


H1 2018 Results

Aluminium Industry: Higher Prices on Market Volatility & Trade Wars

Cost Analysis H1 2018 vs. H1 2017: Higher Raw Materials Prices

H1 2018 vs. H1 2017 - Direct Cost Bridge (US\$M)

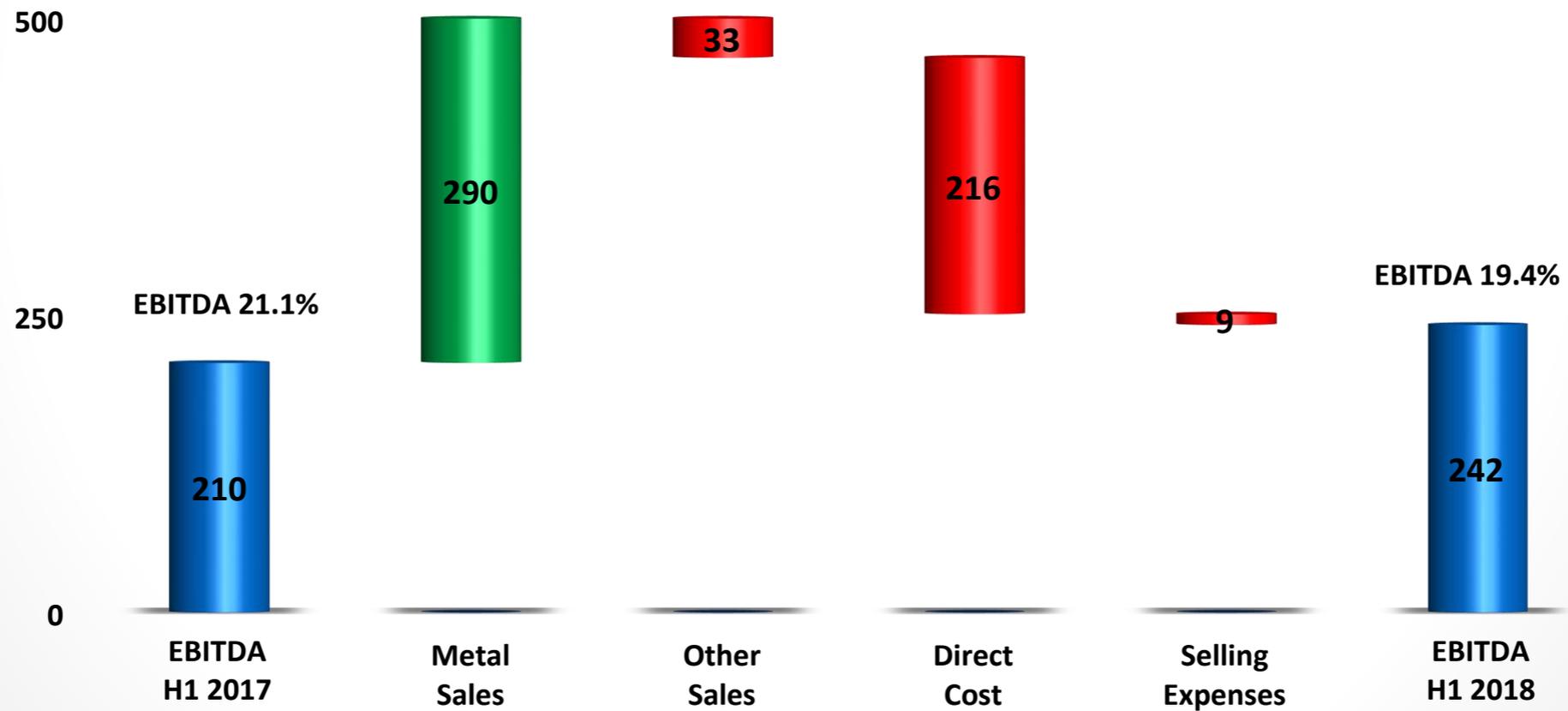


H1 2018 Results

Aluminium Industry: Higher Prices on Market Volatility & Trade Wars

Favourable Management Performance
EBITDA Margin at 19.4%

H1 2018 vs. H1 2017 - EBITDA Bridge (US\$M)

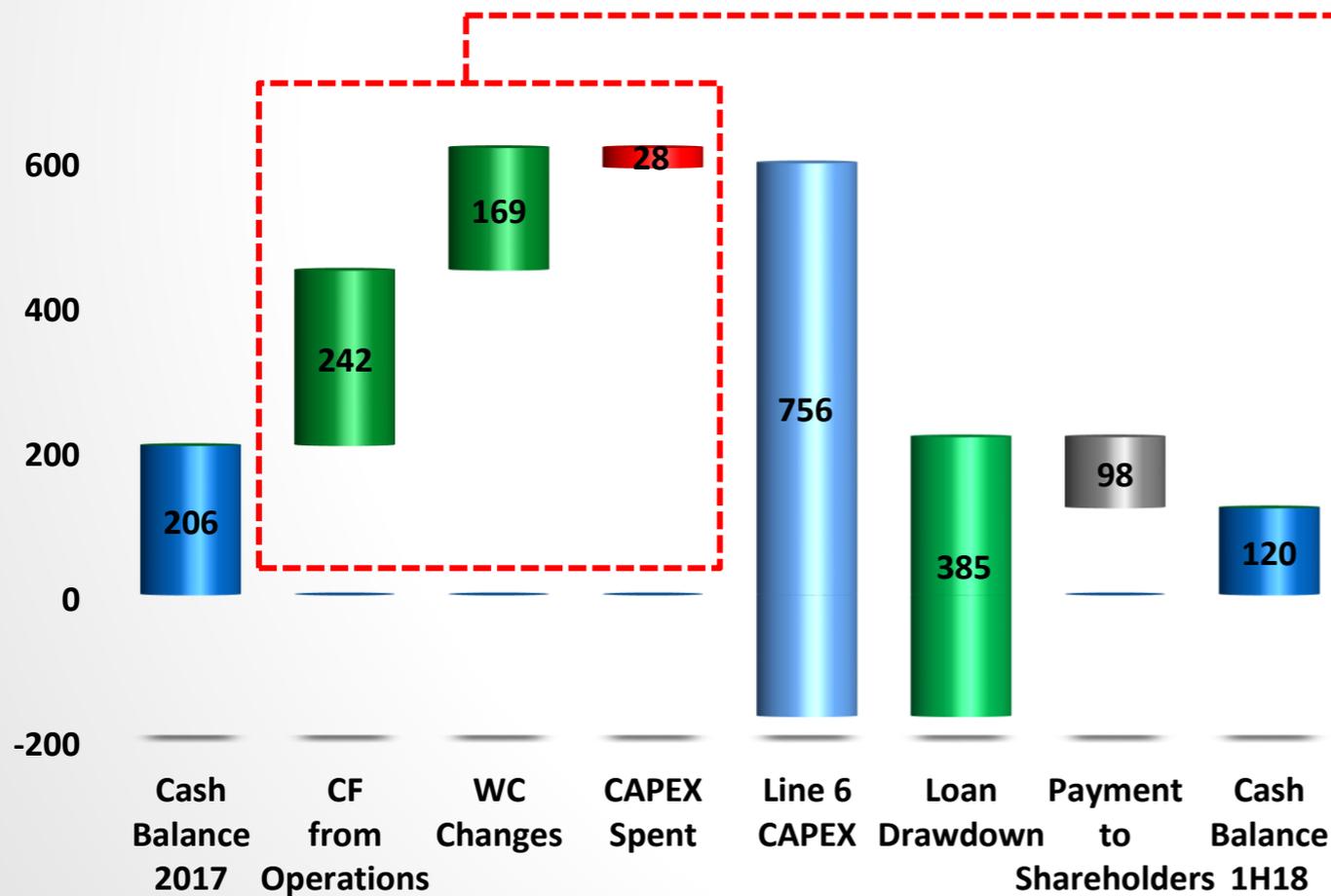


H1 2018 Results

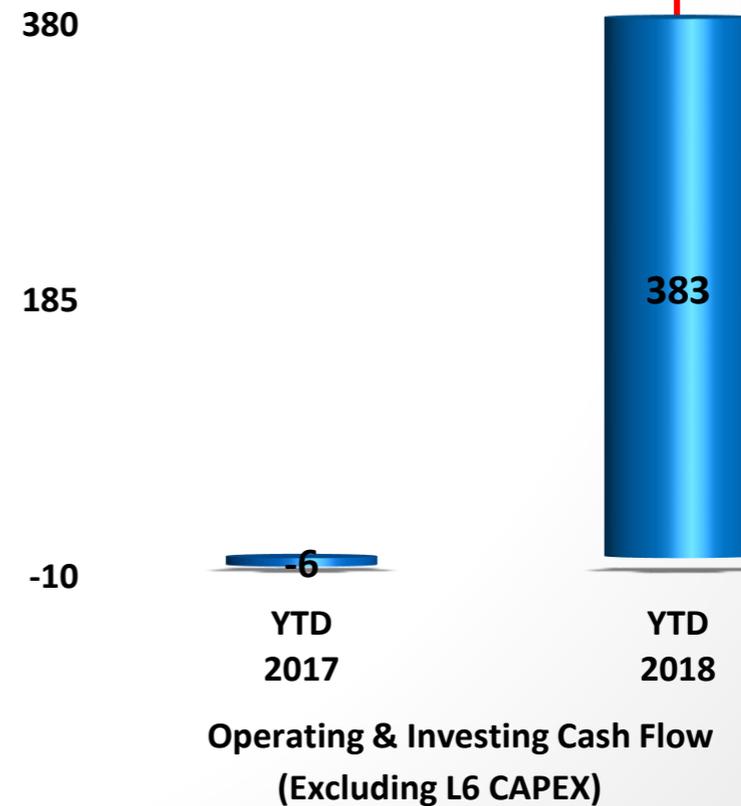
Aluminium Industry: Higher Prices on Market Volatility & Trade Wars

Cash Flow Bridge - FY 2017 to Q2 2018: Maintain Good Cash Position

FY 2017 to H1 2018 Cash Flow Bridge (US\$M)



Free Cash Flow (US\$M)





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