



Media Release – Monday 04 May 2020

FOR IMMEDIATE RELEASE  
MANAMA (ALBH)

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 First Quarter 2020 Interim Condensed Consolidated Financial Statements which are 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 First Quarter of 2020 are summarized below:

## ***Alba Discloses its Financial Results for the First Quarter of 2020***

### **Q1 2020 Financial Performance**

Aluminium Bahrain B.S.C. (Alba) (Ticker Code: ALBH), the world's largest aluminium smelter w/o China, has generated **Profit of BD 5.7 million (US\$ 15.3 million)** for the first quarter of 2020, up by 136% Year-over-Year (YoY) versus a Loss of BD 15.8 million (US\$ 42 million) for the same period in 2019. The Company reported **Basic and Diluted Earnings per Share of fils 4** versus Basic and Diluted Loss per Share of fils 11 for the same period in 2019.

**The Total Comprehensive Loss** for the first quarter of 2020 stood at **BD 1.6 million (US\$ 4.3 million)** versus Total Comprehensive Loss for the first quarter of 2019 of BD 15.8 million (US\$ 42 million) – up by 90% YoY thanks to changes in fair value of cash flow hedge.

**Total Equity** as at 31 March 2020 stood at **BD 1,075.8 million (US\$ 2,861.1million)**, down by 0.3% YoY, versus BD 1,078.6 million (US\$ 2,868.6 million) as at 31 December 2019. Alba's **Total Assets** as at 31 March 2020 topped **BD 2,423.9 million (US\$ 6,446.5 million)** versus BD 2,420.2 million (US\$ 6,436.8 million) as at 31 December 2019 - up by 0.2% YoY.

With regards to the **Revenue from Contracts with Customers**, Alba generated **BD 275.9 million (US\$ 733.8 million)** in Q1 2020 versus BD 203.5 million (US\$ 541.2 million) in Q1 2019 - up by 36% YoY. Alba's top-line and



bottom-line were driven in the first quarter of 2020 by higher metal sales' volume thanks to Line 6 and impacted by lower LME price [down by 9% Year-over-Year (US\$ 1,690/t in Q1 2020 versus US\$ 1,859/t in Q1 2019)].

## Q1 2020 Industry Highlights

- The unprecedented stop in the world's economic activity has sent shockwaves through the entire Aluminium supply-chain. A quarter of the world population live under lockdown. The Aluminium downstream has lowered output levels or has already shutdown. The auto sector has taken the hardest hit from novel COVID-19 outbreak; other sectors have also witnessed a sharp decline thanks to the closure of extruders, rolling-mills and construction facilities.
  - **World Consumption down by 8% YoY;**
  - Aluminium demand collapse in major markets: a drop of 10% YoY in Europe and China, 8% YoY in MENA and 6% YoY in North America.
- **Global Production** witnessed a **modest growth of 2% YoY**. Primary Aluminium production in MENA continues - up 12% YoY [mainly on the back of Alba's Line 6 metal]. Production in North America up by 5% YoY mainly due to higher throughput from Canadian smelters. China production up by 2% YoY [high-cost smelters curtailed their output thanks to drop in SHFE price]. This has led the world market to be in surplus with China (+1,923Kt) and (+299Kt) without China.
- LME inventories at **~1.164 million MT** as of March-end (**up by 4% YoY**). LME-Cash averaged US\$1,690/t (down by 9% YoY) and the Physical premium prices are under downward pressure.

## Safety Highlights amidst COVID-19

- Working closely with COVID-19 Bahrain National Team to ensure our People's Safety - Employees and Contractors.
- Remote work from home for most of office/admin employees (men & women).
- Adoption of social distancing & adjusting shifts' schedule to minimize exposure risk.
- Community support: donating BD 3.5 million aid towards 'Feena Khair' initiative as well as participating in various CSR initiatives.

## Q1 2020 Alba Highlights

- Achieved on 07 April 2020: 20 million working-hours w/o LTIs for first time in Alba's history.
- Sales' volume topped 379,274 metric tonnes (MT) - up by 48% YoY while Production reached 388,637 MT - up by 43% YoY.
- Value Added Sales averaged 41% of the total shipments.
- Spent Pot Lining (SPL) Treatment Plant in progress.



## Q1 2020 Alba Priorities

- Continued Focus on 'Safety Globe' Initiative. Keep our People (Employees & Contractors) Safe Amidst Novel COVID-19.
- Meet 2020 Production Target of 1,540,000 metric tonnes.
- Deliver on Project Titan - Phase IV [Projected Savings of US\$100 Million by 2020-end].
- Focus on Upstream Opportunities to Secure Alumina Requirements.
- Accelerate Value-Added Sales' Product Qualification with Aluminium Stewardship Initiative (ASI) and Ecovadis certifications.
- Deliver Spent Pot Lining (SPL) Treatment Plant and Port Upgrade as per Timeline

Commenting on Alba's financial performance for the first quarter of 2020, the Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa stated:

"As the world is facing unprecedented times with the novel COVID-19 outbreak, we managed to close the first quarter of this year with overall good performance despite depressed LME prices.

As COVID-19 continues to unfold, our priority is and will remain the Safety of our people – employees and contractors."

Adding further, Alba's Chief Executive Officer, Ali Al Baqali said:

"Thanks to the agility of our supply-chain team and our response strategy to overcome the challenges associated with COVID-19, we have been able to deliver on our commitments towards our clientele across the globe while focusing on our cost-cutting programme 'Project Titan' to drive savings.

As we ensure the smooth operation of our plant, we have implemented strict Safety measures to protect our workforce as we navigate together through this crisis."

Alba Management will hold a conference call on Tuesday 05 May 2020 to discuss Alba's financial and operational performance for Q1 2020 as well as outline the Company's priorities for the remainder of the year.

**ENDS**

### Photo Caption

Shaikh Daij bin Salman bin Daij Al Khalifa, Alba's Chairman of the Board of Directors  
Ali Al Baqali, Alba's Chief Executive Officer



## About Alba

Bahrain was the first country in the Arab region to start an aluminium smelter. Starting-out as a 120,000 metric tonne per annum (mtpa) smelter in 1971, Alba today is a 1.36-plus million-metric tonnes smelter. Alba's product portfolio comprises high-grade aluminium and Value-Added Products that include standard and T-ingots, extrusion billets, rolling slabs, properzi ingots and molten aluminium

Alba is listed on both the Bahrain Bourse and London Stock Exchange, and the Company's shareholders are Bahrain Mumtalakat Holding Company (69.38%), SABIC Industrial Investment Company (20.62%) and the General Public (10%).

Entering its fifth decade of commercial operations, Alba is rightly regarded as a pioneer in the industrial history of both - the Gulf region and Bahrain - carving an enviable reputation in Safety, Employee Development and sustainable operations.

## About Line 6 Expansion Project

Alba's Line 6 Expansion Project was inaugurated by His Majesty King Hamad Bin Isa Al Khalifa the King of the Kingdom of Bahrain on 24 November 2019. Line 6 Expansion Project has made Alba the world's largest smelter ex-China. Potline 6 will boost Alba's per-annum production by 540,000 metric tonnes, bringing Alba's total production capacity to 1.54 million metric tonnes per year.

With a CAPEX of approximately US\$3 billion, the Line 6 Expansion Project was the largest brownfield expansion in the region. The Project comprised: construction of sixth pot line utilising EGA's proprietary DX+ Ultra Technology, a 1,792 MW Power Station (Power Station 5) and other industrial services.

Bechtel was the EPCM contractor for the Line 6 Expansion Project smelter. For Power Station 5 (PS5), GE and GAMA Consortium was awarded the EPC contract, while Siemens was the Power Distribution System contractor.

Alba started 106 pots in Line 6 on 26 March 2019 followed by another 106 pots on 18 April 2019. Alba Potline 6 was commissioned on 13 December 2018 with the delivery of the First Hot Metal ahead of its schedule. Alba also announced an achieved savings of more than US\$370 million in the execution of Potline 6 – corresponding to 16% savings of its allotted budget.

The Line 6 Expansion Project achieved a total of 60,893,000 working-hours without Lost Time Injury as on 21 November 2019.

One of Bahrain's flagship asset, the Line 6 Expansion Project will be transformational to Bahrain and its people. Alba will continue to focus on the local and regional downstream cluster and seek opportunities to contribute further to the economic diversification of the Kingdom.

## Alba External Grievance Mechanism

Alba, in line with the Performance Standards of the International Finance Corporation (IFC), a World Bank affiliated lending organisation, has launched its External Grievance Mechanism to receive and facilitate the resolution of the affected communities' concerns and grievances about Alba's Environment and Social (E&S) performance.

External grievances about Alba's E&S performance can be logged via the [Alba Integrity Line](#) - an independently operated confidential reporting hotline in multiple languages - via a toll-free phone system or via the intranet 24 hours a day, every day.

### For further details, please contact:

Eline Hilal  
Director, Investor Relations, Insurance & Corporate Secretary  
Investor Relations Department  
**Tel:** (973) 1783 5100  
**E-mail:** [eline.hilal@alba.com.bh](mailto:eline.hilal@alba.com.bh)  
**Website:** [www.albasmelter.com](http://www.albasmelter.com)



**Follow us on:**

<http://www.twitter.com/Alba4World>

<http://www.facebook.com/Alba4World>

<http://www.instagram.com/Alba4World>

<http://www.linkedin.com/company/aluminium-bahrain>

<http://www.youtube.com/Alba4World>