

### Disclosure of Information

Aluminium Bahrain B.S.C. (Alba) would like to announce the following information in relation to its Q3 and 9 Months of 2021 Financial Results' Conference Call.

#### الإفصاح عن معلومات

تعلن شركة ألمنيوم البحرين ش.م.ب. (البا) عن المعلومات التالية التي تمت مناقشتها خلال الاجتماع الهاتفي للأداء المالي للربع الثاني لعام 2021.

Date	01 November 2021 01 نوفمبر 2021	التاريخ
Company Name	Aluminium Bahrain B.S.C. (Alba) ألمنيوم البحرين ش.م.ب. (البا)	إسم الشركة
Trading Code	ALBH	رمز التداول
Information	<p>Aluminium Bahrain B.S.C. (Alba) has conducted its Q3 and 9 Months of 2021 Financial Results' Conference Call on Monday 01 November 2021 at 3 PM.</p> <p>Attached for reference is the Q3 and 9 Months of 2021 Investor Relations (IR) Presentation along with Alba's feedback on the questions discussed during the conference call.</p> <p>عقدت ألمنيوم البحرين ش.م.ب. (البا) اجتماعاً هاتفياً لمناقشة الأداء المالي للشركة للربع الثالث والتسعة أشهر الأولى لعام 2021 يوم الإثنين الموافق 02 أغسطس 2021 في تمام الساعة 03 ظهراً. تجدون في المرفقات العرض التقديمي لعلاقات المستثمرين للربع الثالث والتسعة أشهر الأولى لعام 2021 بالإضافة الى ردود البا على الأسئلة التي تمت مناقشتها خلال الاجتماع الهاتفي.</p>	الموضوع
Name	Ms. Eline Hilal	الإسم
Title	Director - Investor Relations, Insurance and Corp. Secretary	المسمى الوظيفي
Company Seal ختم الشركة		Signature التوقيع
		

## **Aluminium Bahrain B.S.C. (Alba) Q3 and 9 Months of 2021 Financial Results' Conference Call on Monday 01 November 2021**



**MINUTES OF THE Q3 and 9 Months of 2021 Financial Results' Conference Call**

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## **Opening Remarks**

The Chief Executive Officer Mr. Ali Al Baqali led Aluminium Bahrain B.S.C. (Alba) Q3 and 9 Months of 2021 Financial Results' Conference Call. The meeting was called to order at 03:05 PM.

Director - Investor Relations, Insurance & Corporate Secretary, Ms. Eline Hilal welcomed all attendees to Alba's IR Conference Call and informed the audience that the first two sections of the IR presentation will be covered by herself: 1. Industry Highlights based on CRU Market Intelligence; 2. Alba Highlights based on Alba's official news which have been made public while the Chief Financial Officer, Mr. Bryan Harris, will go through Section 3 to provide more insights on Alba's Q3 2021 results then followed by the CEO's updates on Section 4 in relation to Industry Perspectives in 2021 (based on CRU Market Intelligence) and Section 5 for the Company's Priorities which are based on Alba's 5-Year Strategic Initiatives.

Below are the questions put forth by Mr. Amit Lahoti, CFA from Citi:

- **On capital management, will the Company prioritise debt reduction or dividends?**  
Mr. Bryan Harris replied that the Company intends to reduce its debt as much as possible (there was no comment made on the payment of dividends).
- **What are the reasons for increase in Working Capital in 2021?**  
Mr. Bryan Harris responded that there are 4 major reasons for the increase in Working Capital:
  - 1) Higher LME Prices;
  - 2) Shift in the Company's strategy from selling Commodity Ingots (P1020) to Value Added Products (VAP) [with VAP sales, payment terms are longer; hence, higher Account Receivables];
  - 3) Global shipping logistics issues which put pressure on Inventories; and
  - 4) Lower Account Payables owing to factoring of major raw materials

Below are the comments/questions put forth by Mr. Ali Al Tareef, Alba's shareholder

- **Comment:** Congrats to Alba on the excellent results for Q3 and 9 Months of 2021. The Company has not only entered the US\$1 billion club for its EBIDTA but also its Market Cap has exceeded BD1 billion.
- **Reason behind the increase in Alba's overall Short-Term Debt as shown within the Financials under 'Loans and Borrowings'**  
Mr. Ahmed A. Qader, Manager Finance, responded that the increase in the current portion of Loans and Borrowings is partly owing to the repayment schedule of the loans.
- **Is the Company complying with all its loan covenants (reference note 5 Loan Covenants)?**  
Mr. A. Qader confirmed that Alba is complying with all its loan covenants as of 30 September 2021 and the Management is confident to meet the same as on 31 December 2021.

Below are the questions put forth by Mr. Nitin Garg, CFA from SICO B.S.C. ©:

- **Reasons for lower cash generation when compared to the same period in 2020 despite a strong increase in EBITDA.**  
Mr. Ahmed A. Qader replied that as explained earlier, Alba's Inventories and Account Receivables have increased due to 4 major reasons:
  - 1) Higher LME prices;

- 2) Shift in the Company's strategy from selling Commodity Ingots (P1020) to Value Added Products (VAP) [with VAP sales, payment terms are longer; hence, higher Account Receivables];
- 3) Global shipping logistics issues which put pressure on Inventories; and
- 4) Lower Account Payables owing to factoring of major raw materials

Below are the questions put forth by Mr. Anoop Fernandes, CFA from SICO B.S.C. ©:

- **What are the reasons behind lower purchase of natural gas and diesel? Is it because the Company sold natural gas to the Government?**

Ms. Eline Hilal advised that Alba doesn't have the authority to sell natural gas; Alba buys natural gas from the Government to fire its power stations [to note: there is a power exchange program, based on a mutual understanding, with Bahrain's National Grid]. The reduction is partially owing to improved efficiency post the successful commissioning of Block 3 of Power Station 5 in April 2020.

- **Reasons for the increase in number of days of receivables and decrease in payables days.**

Mr. Ahmed A. Qader responded that the answer has been provided by the Management within the query of 'reasons behind the increase in Working Capital'. The main reason for decrease in payable days is due to factoring of major raw materials. The Management also anticipates a marginal improvement in the receivable's days by 2022.

- **Reason for the increase in sales to Bahrain?**

Mr. Bryan Harris stated that there is a strong demand/appetite for metal internationally as well as locally. The major increase in local sales is due to dual increase in volumes coupled with LME Prices.

- **Can you provide a geographical breakdown of receivables?**

Ms. Eline Hilal stated that Alba provides the geographical breakdown of sales in terms of product-line and footprint per annum but does not provide a geographical breakdown of receivables.

The meeting adjourned at 04:15 PM.

Note: The IR Presentation has been attached for reference



# INVESTOR RELATIONS PRESENTATION

Q3 2021





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# CONTENTS

01  
Industry  
Highlights

02  
Alba  
Highlights

03  
Q3 2021  
Results

04  
Industry Perspectives  
in 2021

05  
2021 Alba  
Priorities

06  
Appendix



# 01

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





## INDUSTRY HIGHLIGHTS

### Strong Market Demand Supported by V-Shape Economic Recovery (+7% YoY)

- 🌐 Market sentiment has been driven by China supply disruptions, a very strong demand and a tight physical market – all of which had led LME price to hit 10-year high > US\$2,700/MT
- 🌐 Double-digit increase in World ex-China consumption (+16% YoY), Europe's (+16% YoY), and North America's (+13% YoY) – owing to strong rebound in market recovery and economic activity
- 🌐 Middle East demand continued to be strong (+18% YoY) supported by higher demand in Bahrain & UAE
- 🌐 Chinese consumption almost flat (+1% YoY) due to slow growth in auto and construction market



## INDUSTRY HIGHLIGHTS

### Global Production up by 4% YoY despite being at the Mercy of China's Power Constraints

- 🌐 Power restrictions in China trigger substantial cutbacks in throughput (+3% YoY). In total, 3.1 Mtpa capacity were cut, 1.1 million MT greenfield projects were delayed, and 3.9 million MT expansions were pushed back [power cuts impacting Chinese smelters - Yunnan, Guangxi & Mongolia]
- 🌐 Aluminium supply in GCC up by 3% YoY due to the 78Kt expansion at Al Taweela smelter while North America supply down by 2% YoY owing to supply cuts at Kitimat smelter in Canada
- 🌐 World market swings into deficit with China (-492Kt) and w/o China (-251Kt)

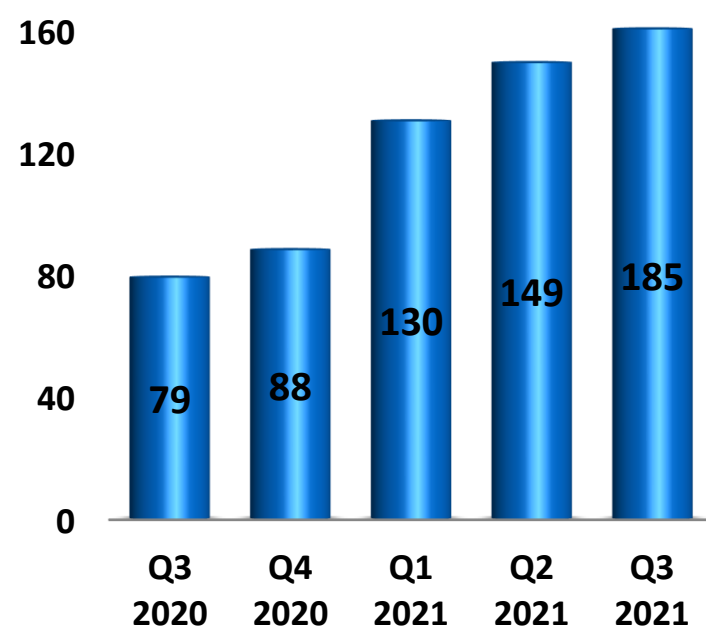


## INDUSTRY HIGHLIGHTS

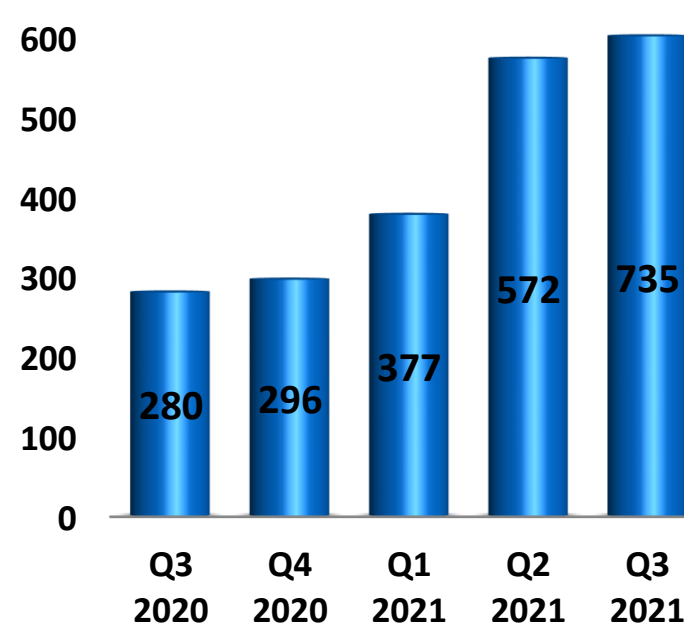
### Record Highs in LME Price & Premia

- 🌐 LME inventories at ~1,230 Kt as of 30 September 2021 (down by 16% YoY)
- 🌐 Aluminium: immune from macro headwinds that affected other base-metals. LME-Cash averaged US\$2,647/t - up by 55% YoY [lowest: US\$2,424.50/t on 20 July and highest: US\$2,950/t on 13 September]
- 🌐 Logistics costs remain high → pushing up regional premiums. VAP premiums up supported by strong physical demand

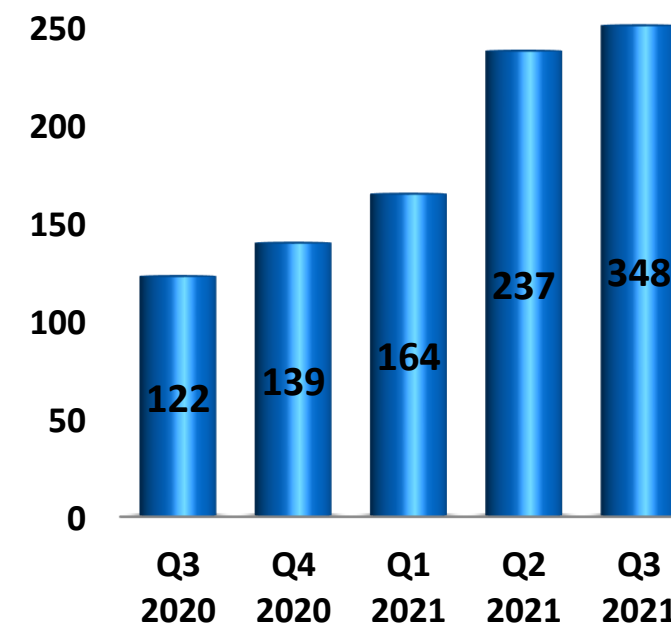
Major Japanese Ports (MJP<sup>1</sup>)



US Midwest



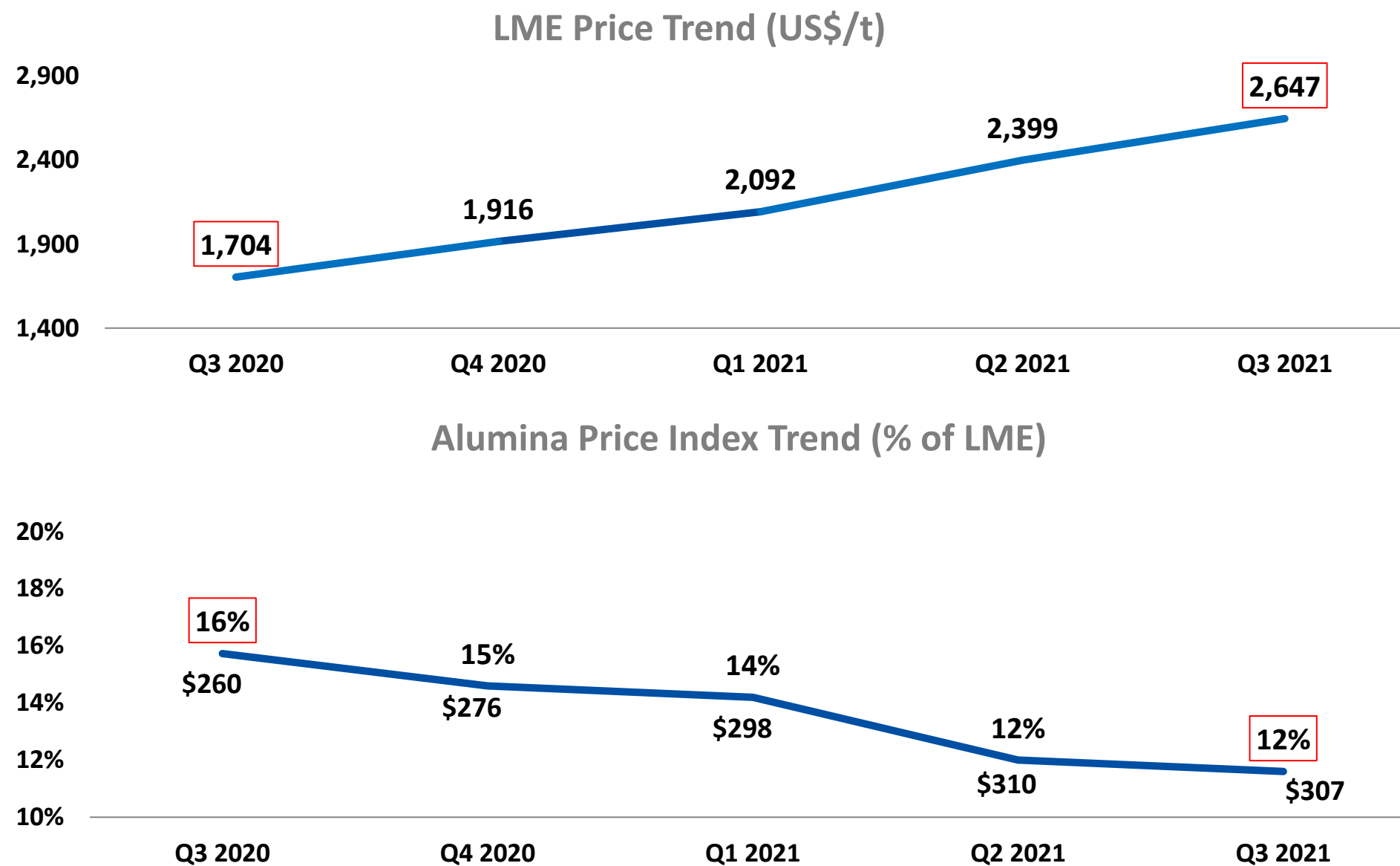
DDP Rotterdam



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

## INDUSTRY HIGHLIGHTS

Alumina Price - 12% of LME Price [US\$307/t]





## 02

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





## ALBA HIGHLIGHTS

#Commit4Bahrain

### Major ESG Highlights

- 🌐 Proud recipients of SafeGuard Hygiene Excellence and Safety Label from Bureau Veritas (BV), and Bronze Medal from Brandon Hall Group Excellence in Learning Awards (Alba's "Al Jisr" Programme -- the first initiative of its kind to boost Bahransisation)
- 🌐 Recipient of Volunteer Service Award from InJaz Bahrain for contributing 482 volunteer-hours - the highest amongst Bahraini companies
- 🌐 Awarded 41 employees who volunteered to participate in InJaz Bahrain
- 🌐 99.7% vaccination rate in c.3,200 workforce
- 🌐 17 million safe working-hours w/o LTI was achieved on 9 October 2021
- 🌐 Safety measures at Alba's vicinity continue with random rapid tests carried-out daily at the Company's gates to Alba employees and contractors' personnel. All guests are to present their COVID-19 vaccine certificates in order to enter Alba

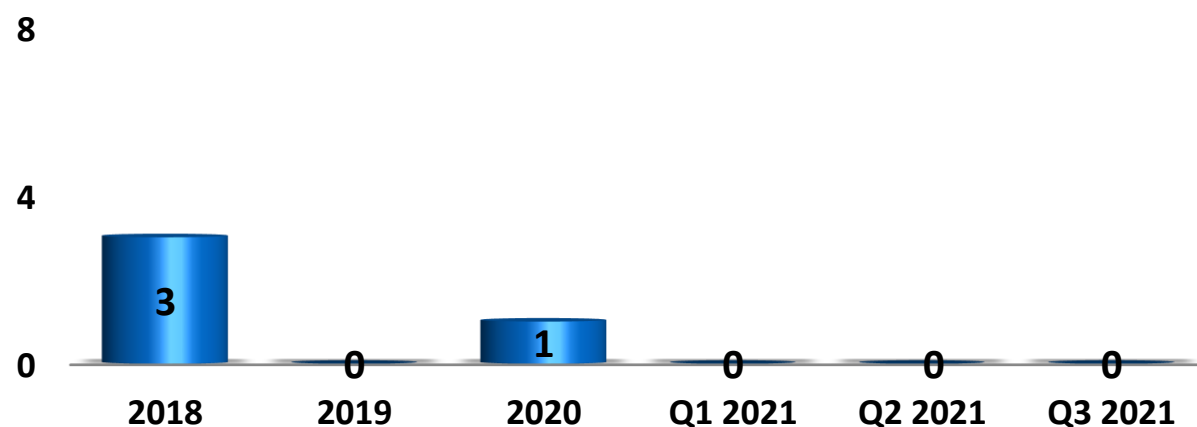


# ALBA HIGHLIGHTS - THINK SAFETY FIRST & ALWAYS

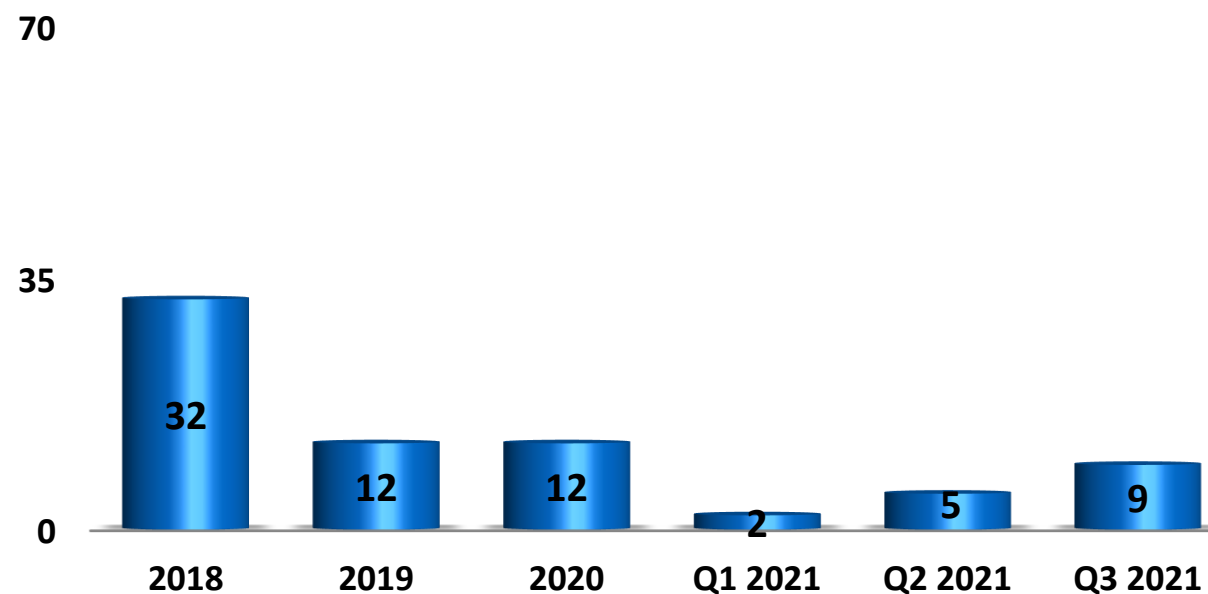
ecovadis

asi Aluminium  
Stewardship  
Initiative

Lost Time Injury (LTI) Trend



Total Recordable Injuries



CONGRATULATIONS  
FOR ACHIEVING



**Achieved on 09 Oct'21**

## 2020 SUSTAINABILITY REPORT: TOPICS THAT MATTER THE MOST

 Climate Change, Green House Gas (GHG) and Energy Management	 Compliance with Statutory and Regulatory Requirements
 Water and Wastewater Management	 Human Rights
 Health and Safety	 Community Development and Engagement including Education and Cultural Heritage
 Waste Management including Hazardous Materials & Recycling	 Product Quality
 Biodiversity Management	 Technology, Innovation and Process Improvement
 Business Integrity including Transparency, Ethics and Anti-Corruption	 Employee Training, Development and Talent Management
 Economic Performance	 Employee Welfare and Diversity including Gender Equality
 Anti-Competitive Behaviour	 Responsible Sourcing and Supplier Management



## ALBA HIGHLIGHTS - Q3 2021

### Operational Highlights & Milestones

- 🌐 Sales' volume at 366,151 metric tonnes (MT), down by 7% YoY, owing mainly to logistics' challenges while Production reached 392,959 MT, up by 2% YoY, thanks to operational efficiencies
- 🌐 Value Added Sales averaged 58% of the total shipments [VAP in MT up by 13% YoY]
- 🌐 Inaugurated the New Jetty Extension & Additional Raw Materials Storage Facilities at the Marine Terminal
- 🌐 Soon to release of Alba's Fifth Edition of Sustainability Report (w/ quality assurance)
- 🌐 First smelter in GCC to publish its ESG Disclosure (climate change reporting) on CDP-UK
- 🌐 Environmental Conservation Project: construction of Spent Pot Lining (SPL) Treatment Plant is completed

## ALBA HIGHLIGHTS - Q3 & YTD 2021

### Financial Key Performance Indicators

#### **EBITDA driven by higher LME prices and premiums**

 Q3: US\$440 million up by 487% YoY

 YTD: US\$1,031 million up by 285% YoY

#### **Net Income driven by high EBITDA levels**

 Q3: US\$335 million up by 1,184% YoY

 YTD: US\$720 million up by 1,320% YoY

#### **Free-Cash Flow\* impacted by changes in the Working Capital**

 Q3: US\$231 million up by 85% YoY

 YTD: US\$278 million up by 48% YoY

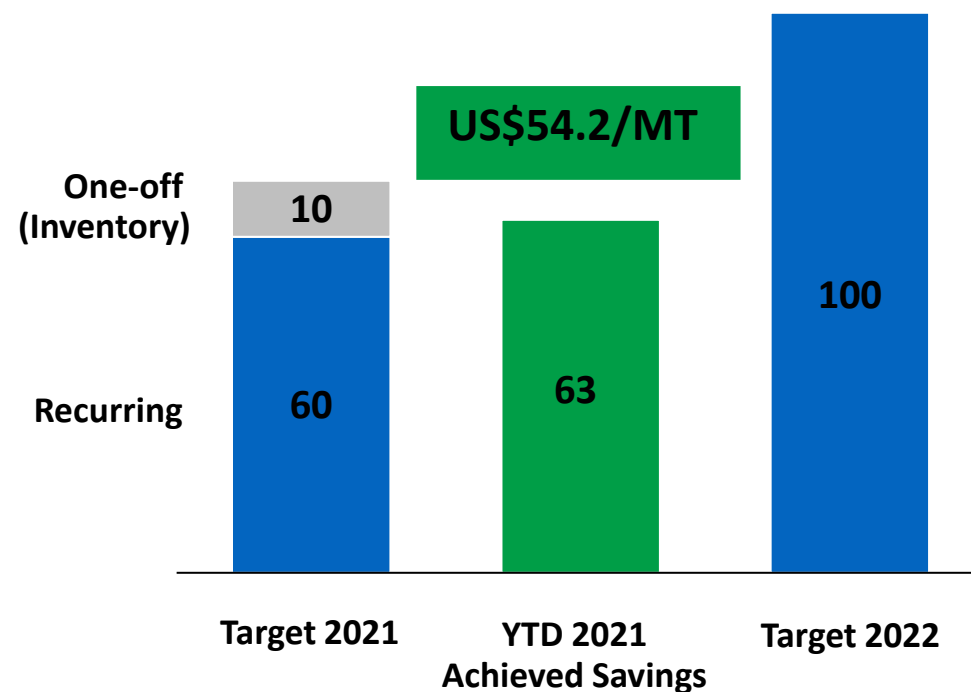




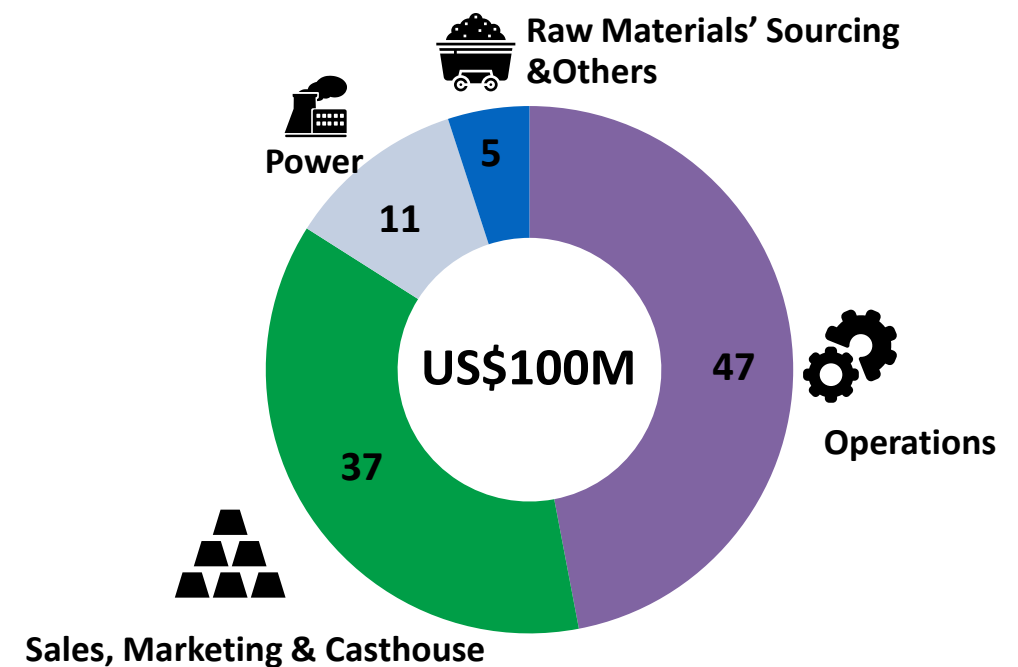
## ALBA HIGHLIGHTS - YTD 2021

AL HASSALAH Initiative (2-Year): Save US\$100 Million by 2022

### AL HASSALAH (US\$ Million)



### Breakdown by Value Chain



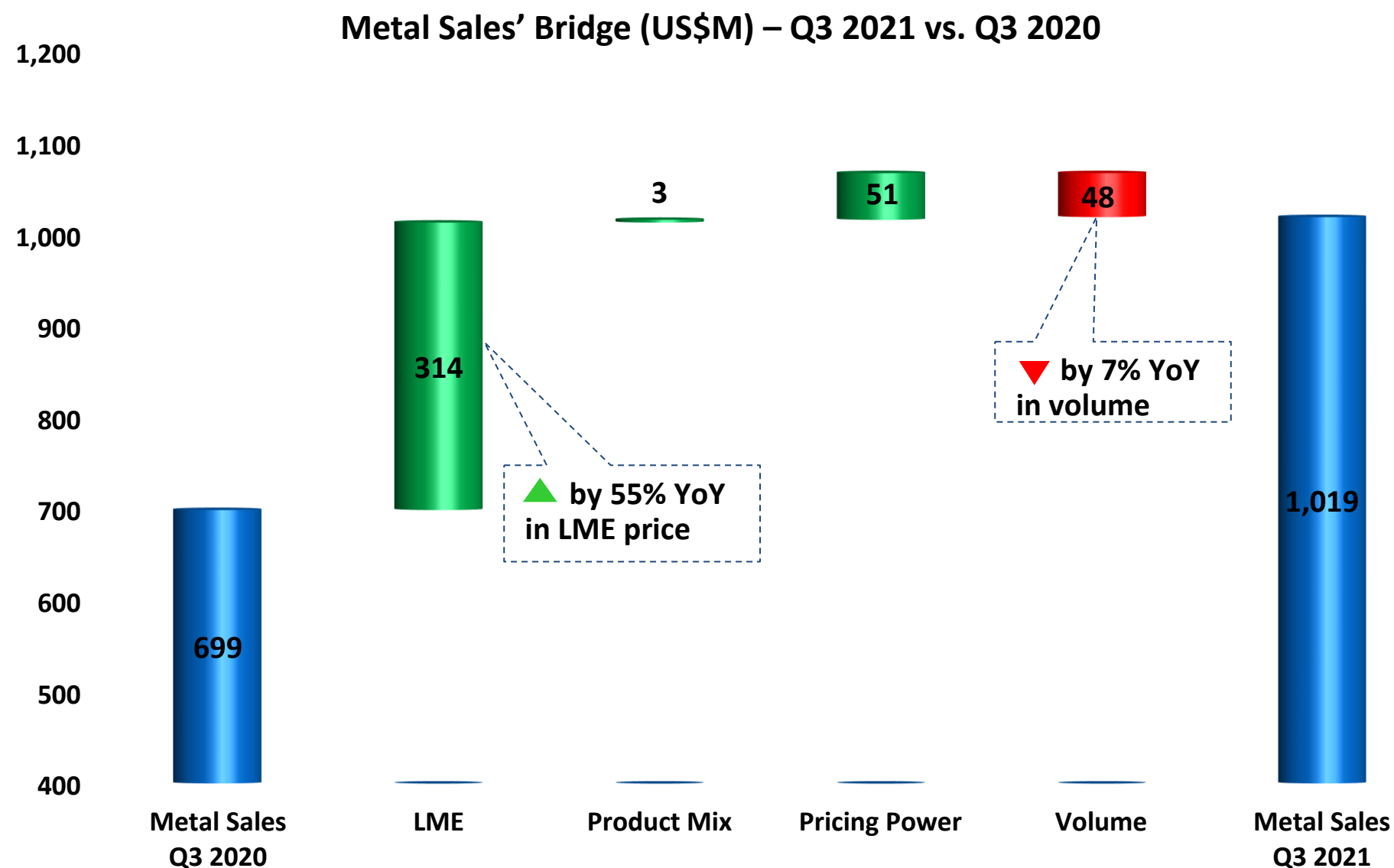
03

## Q3 2021 RESULTS



## ALUMINIUM INDUSTRY: RALLY IN LME PRICES & PREMIUMS

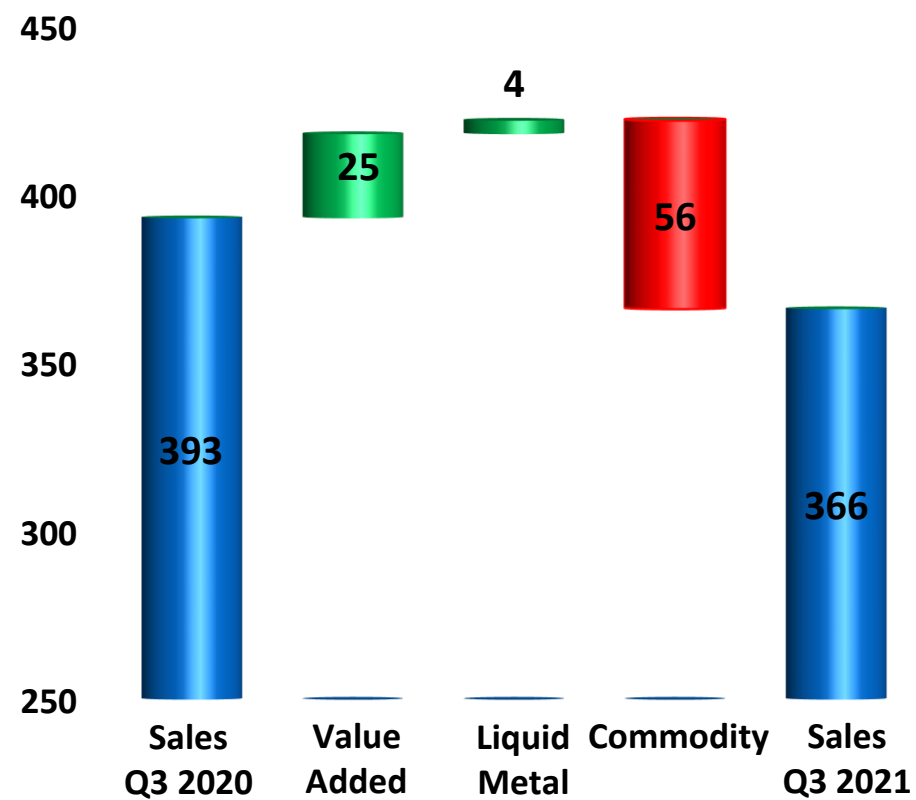
Higher Metal Sales Thanks to Higher LME Prices, Higher VAP & Higher Premiums



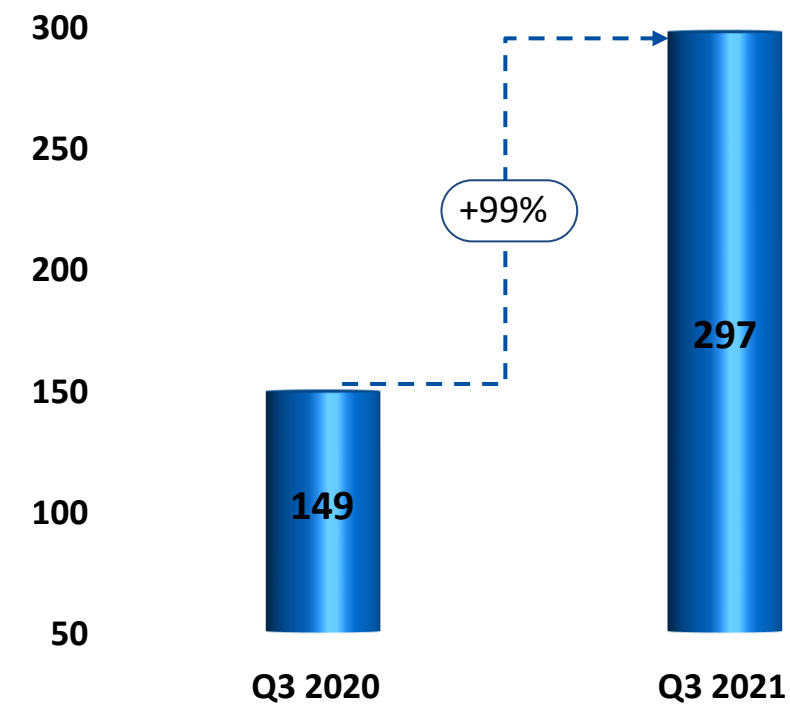
## ALUMINIUM INDUSTRY: RALLY IN LME PRICES & PREMIUMS

Higher VAP | Lower Commodities' Volume | Higher Premiums

Sales by Product-Line Bridge (MT'000)  
Q3 2021 vs. Q3 2020



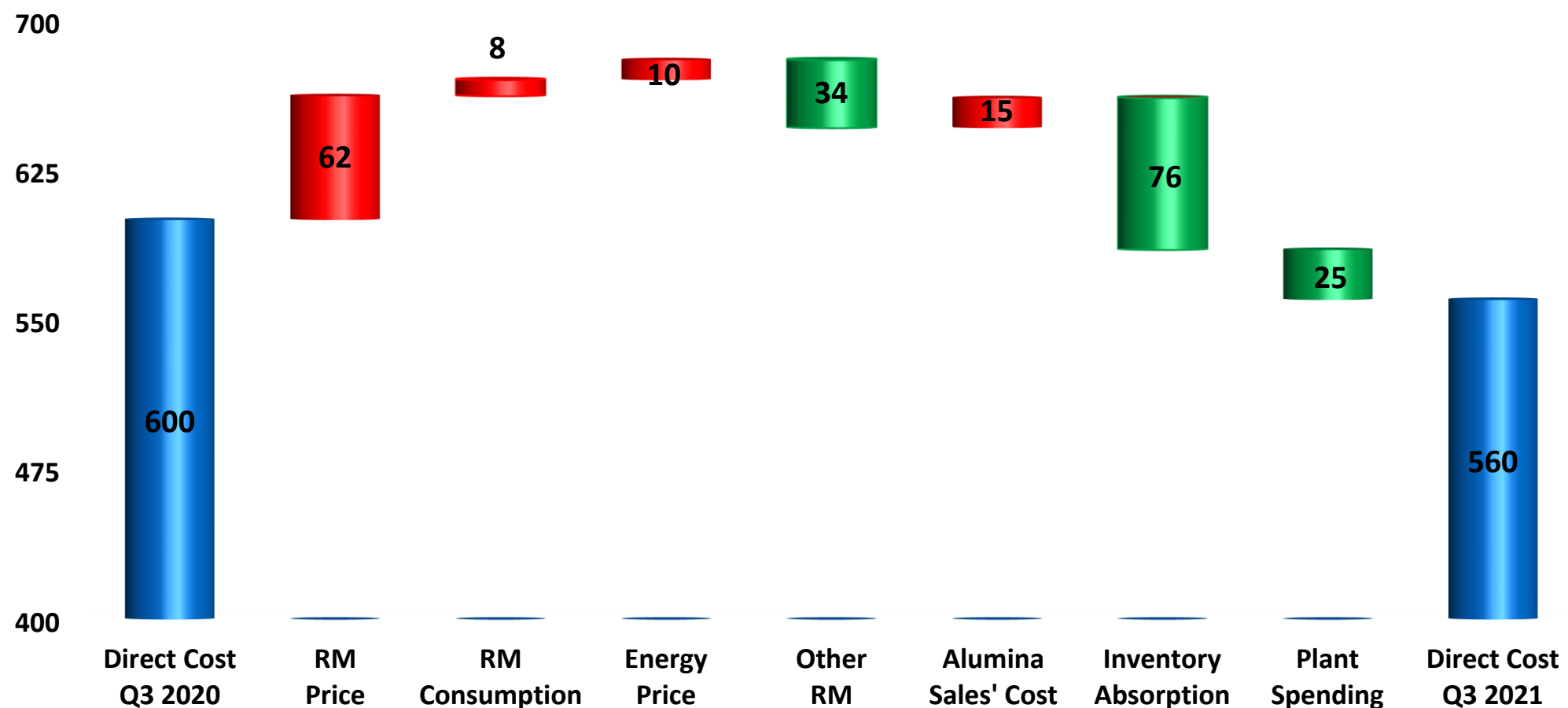
Premium Above LME Trend US\$ Per MT



## ALUMINIUM INDUSTRY: RALLY IN LME PRICES & PREMIUMS

Lower Direct Cost Due to Lower Sales' Volume with Increases in Alumina Prices Partially Offset by Reductions in Some Other RM Prices

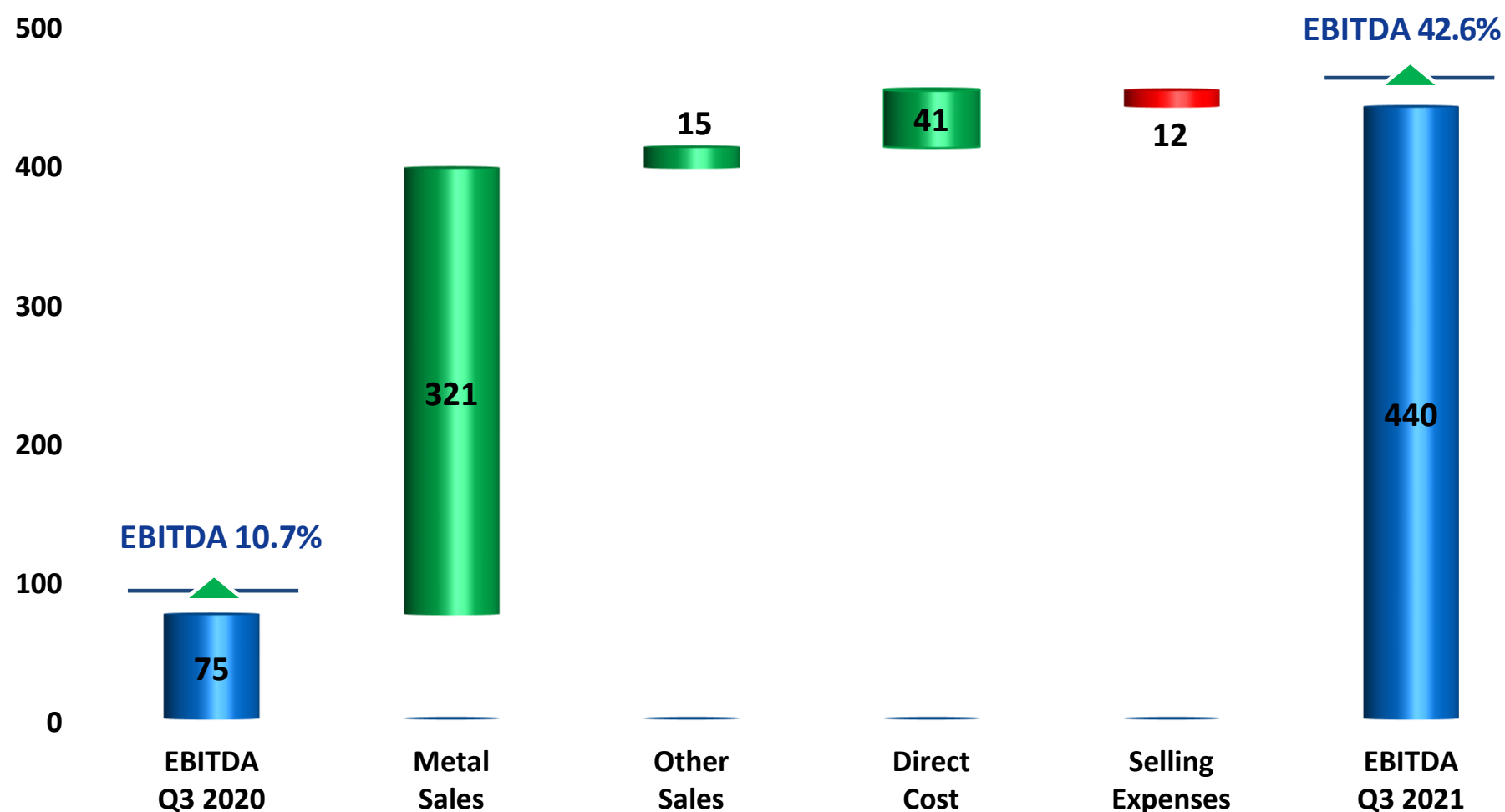
Direct Cost Bridge (US\$M) – Q3 2021 vs. Q3 2020



## ALUMINIUM INDUSTRY: RALLY IN LME PRICES & PREMIUMS

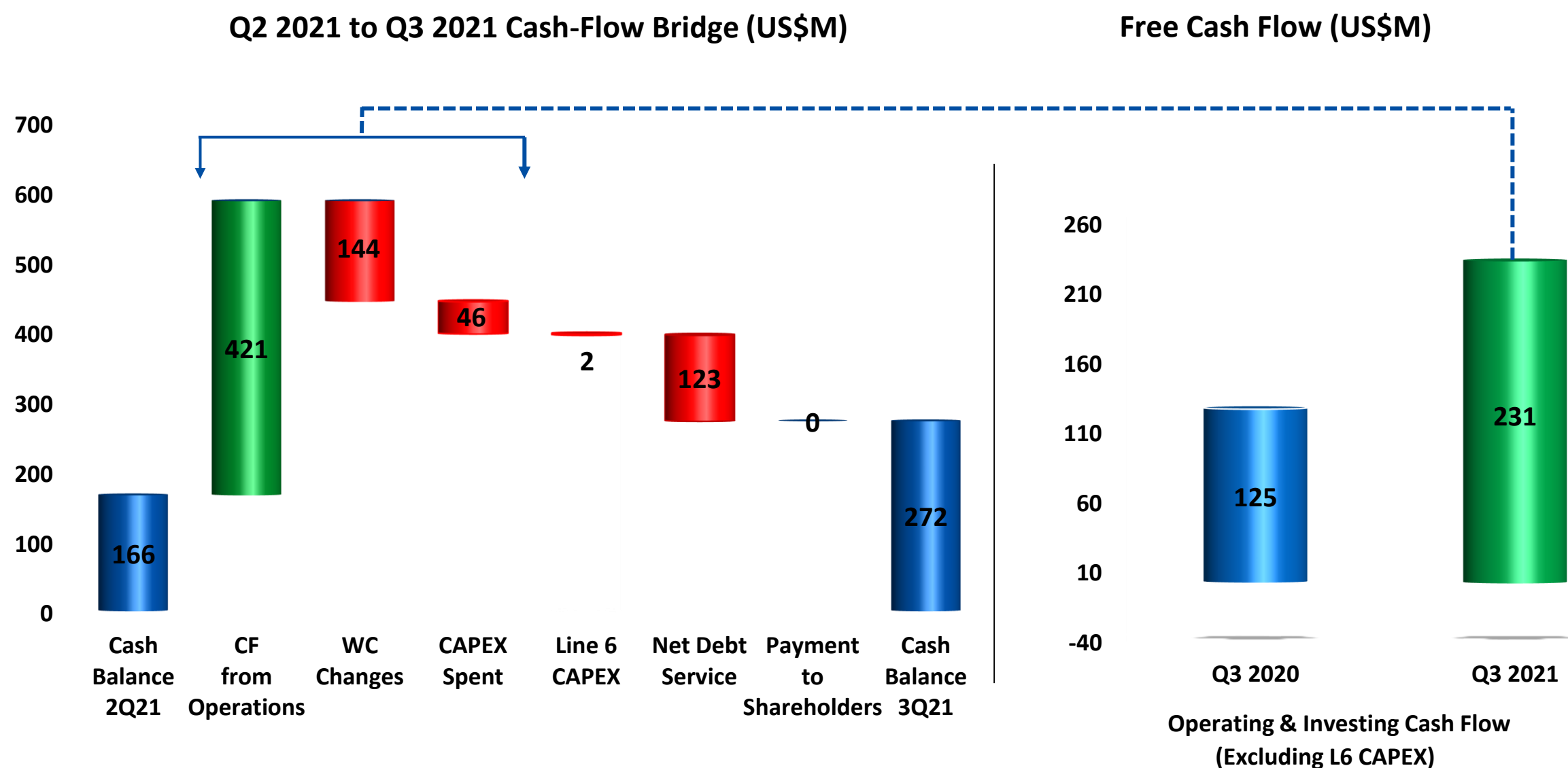
Higher EBITDA Thanks to Higher VAP Sales and Higher LME Prices  
All-Time Record EBITDA % at 42.6%

EBITDA Bridge (US\$M) – Q3 2021 vs. Q3 2020



## ALUMINIUM INDUSTRY: RALLY IN LME PRICES & PREMIUMS

### Cash-Flow Bridge Analysis – Q2 2021 to Q3 2021



## ALUMINIUM INDUSTRY: RALLY IN LME PRICES & PREMIUMS

Strong Financial Performance Thanks to High LME Prices & Operational Efficiencies Across the Plant

Financial Summary	Q3 2021	Q3 2020	YTD 2021	YTD 2020
Average Cash LME (US\$/MT)	2,647	1,706	2,379	1,630
Average Alumina Price (US\$/MT)	307	260	305	281
Total Sales (US\$M)	1,034	699	2,823	2,081
EBITDA (US\$M)	440	75	1,031	268
EBITDA%	42.6%	10.7%	36.5%	12.9%
Net Income/(Loss) (US\$M)	335	(31)	720	(59)
Gain/(Loss) Unrealised Derivatives	-	-	1	(7)
Adjusted Net Income / (Loss)*	335	(31)	719	(52)





# 04

## INDUSTRY PERSPECTIVES<sup>1</sup> IN 2021

## INDUSTRY PERSPECTIVES

### Global Demand to Remain Strong

- 🌐 The outlook for aluminium will be shaped by energy transition, rising power costs and continued demand growth
- 🌐 With China's power restrictions and energy-control policy, China is targeting 18% reduction in carbon intensity per unit of GDP by 2025
- 🌐 Global Aluminium demand to exceed 2019-level by 3.5 million MT in 2021. Asia, Europe and North America to lead the way in metal consumption
- 🌐 Transportation, packaging and electrical sectors will support positive Aluminium demand. Scrap metal to gradually dominate the market on the path of decarbonisation
- 🌐 Supply chains struggle to cope with the surge in metal demand & premiums to keep strong as China raises imports and freight costs remain high
- 🌐 Global market to swing into a deficit of 2.08 million MT in 2021 and 2.6 million MT in 2022
- 🌐 LME price to range between US\$2,600/t – US\$2,900/t

## INDUSTRY PERSPECTIVES

### Major Raw Materials' Price Trends

- Spot Alumina prices soared in Sep'2021 owing to production disruptions in Atlantic region and power/production cuts in China. This price trend is expected to continue until H1 2022 then will ease down by H2 2022
- Carbon markets (GPC, CPC & Anodes) to be impacted by supply shortages and increasing metal demand
- Liquid Pitch prices have risen and expected to remain in the higher range amidst supply shortage in the market and increased demand globally
- Aluminium Fluoride (ALF3) to range at higher levels due to supply shortage in China and strong demand domestically in China and globally. Producers have cut production amidst power cuts in China and expected to continue until Q1 2022



# 05

## 2021 ALBA PRIORITIES<sup>1</sup>

## 2021 ALBA PRIORITIES

### ESG Focus & Journey Towards Safety Excellence

- 🌐 Be the ESG Change We Want to See in the World
- 🌐 Evolve Towards Safety Excellence & Keep Alba's Human Capital Safe Amidst COVID-19
- 🌐 Support the Government's Initiatives & aim is to have 100% vaccinated workforce
- 🌐 Meet 2021 Production Target of 1,540,000 metric tonnes & Deliver on AL HASSALAH Savings' Target of US\$70 Million by 2021-end
- 🌐 Screen Potential Upstream Opportunities to Secure 1/3 Alumina Requirements & Continue Dialogue with Hangzhou Jinjiang Group Co. Ltd
- 🌐 Capitalise on Aluminium Stewardship Initiative and Ecovadis Certifications to Penetrate New Markets & Increase VAP Sales
- 🌐 Commission Spent Pot Lining Treatment (SPL) Plant
- 🌐 Focus on Green and Sustainable Initiatives [Solar Farm]



# 06

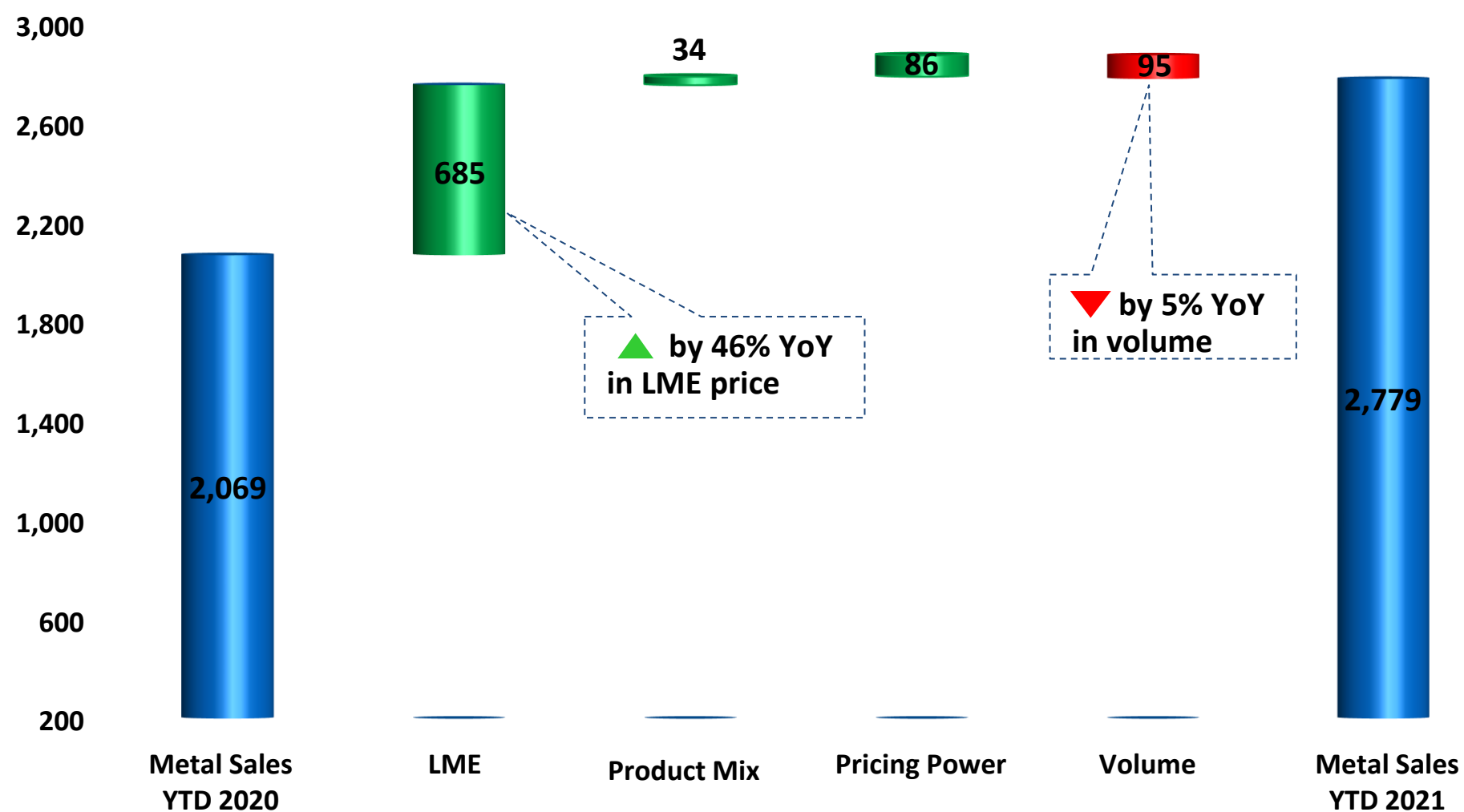
## APPENDIX



## ALUMINIUM INDUSTRY: RALLY IN LME PRICES & PREMIUMS

Higher Metal Sales Thanks to Higher LME Prices, Higher VAP & Higher Premiums

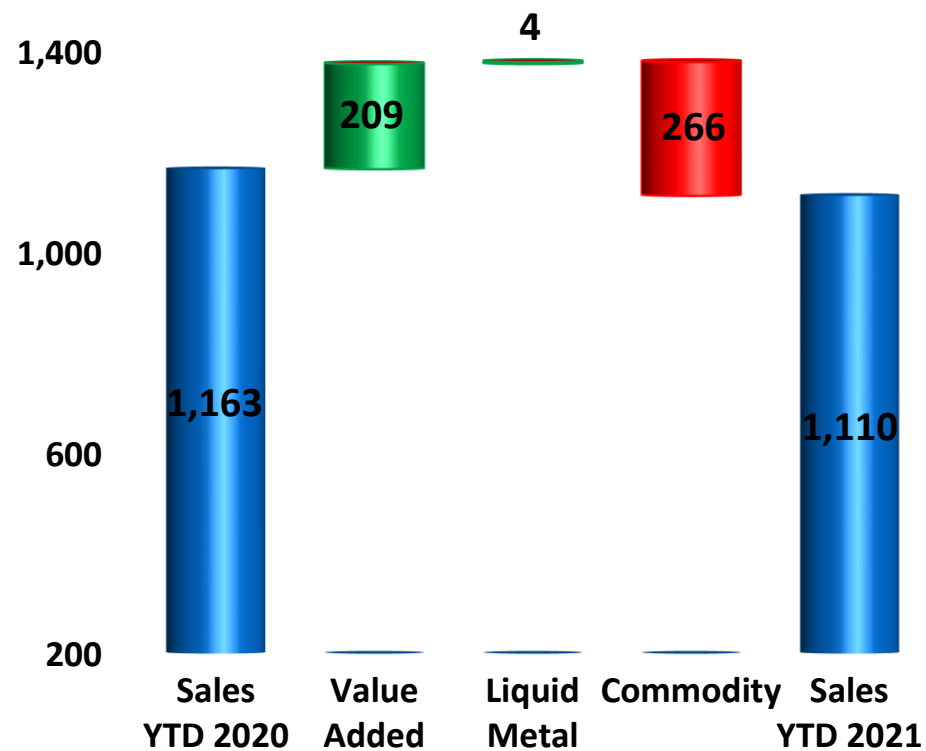
Metal Sales' Bridge (US\$M) – YTD 2021 vs. YTD 2020



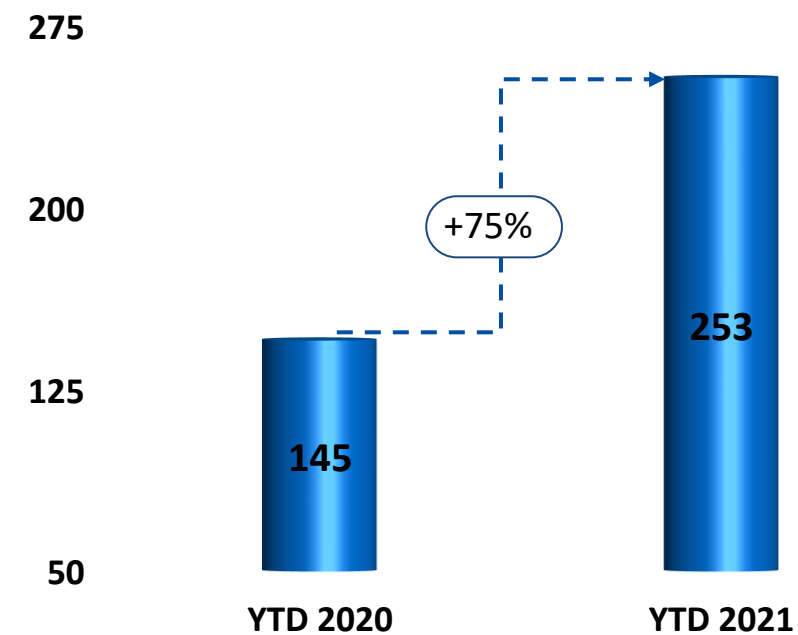
# ALUMINIUM INDUSTRY: RALLY IN LME PRICES & PREMIUMS

Higher VAP | Lower Commodities' Volume | Higher Premiums

YTD 2021 vs. YTD 2020  
Sales by Product-Line Bridge (MT'000)



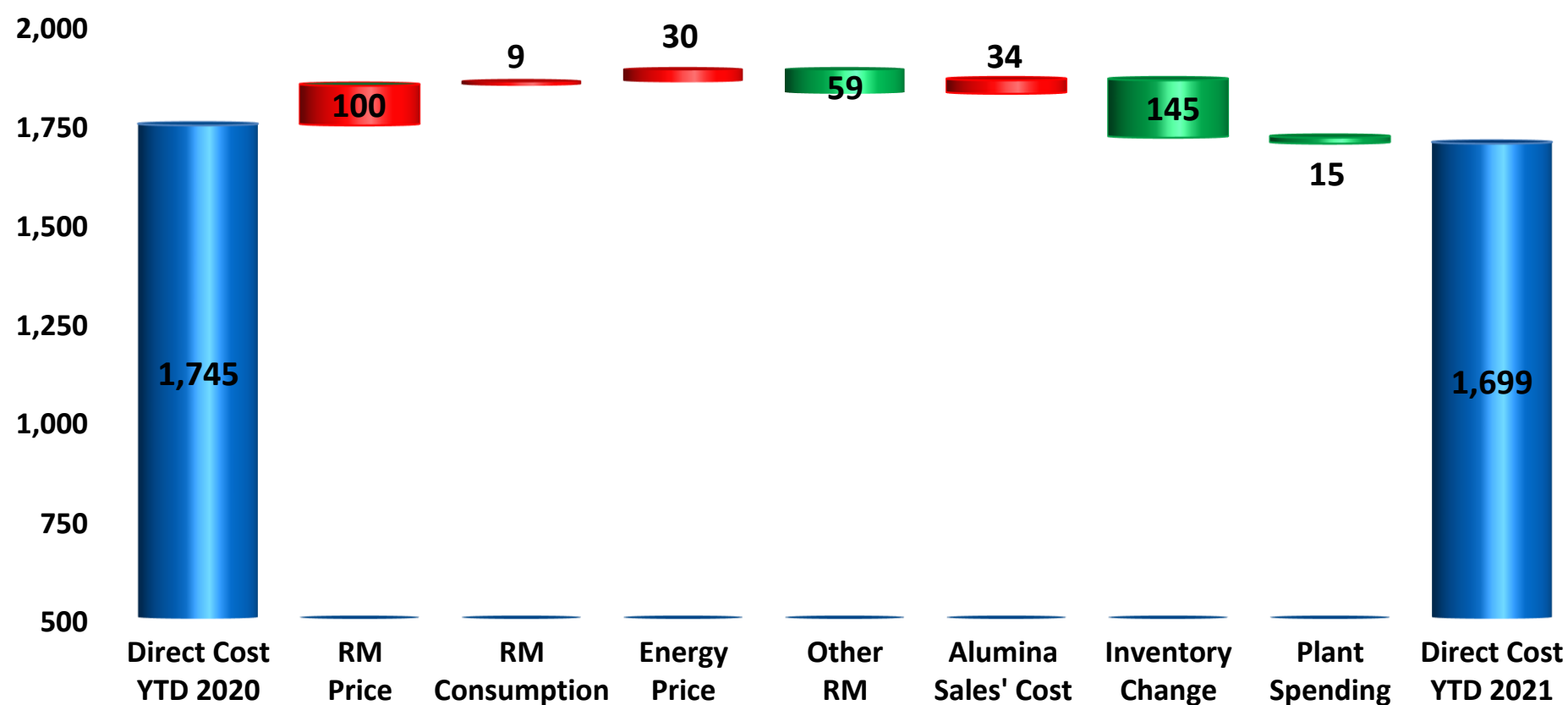
Premium Above LME Trend US\$ Per MT



## ALUMINIUM INDUSTRY: RALLY IN LME PRICES & PREMIUMS

Lower Direct Cost Due to Lower Sales' Volume with Increases in Alumina Prices Partially Offset by Reductions in Some Other RM Prices

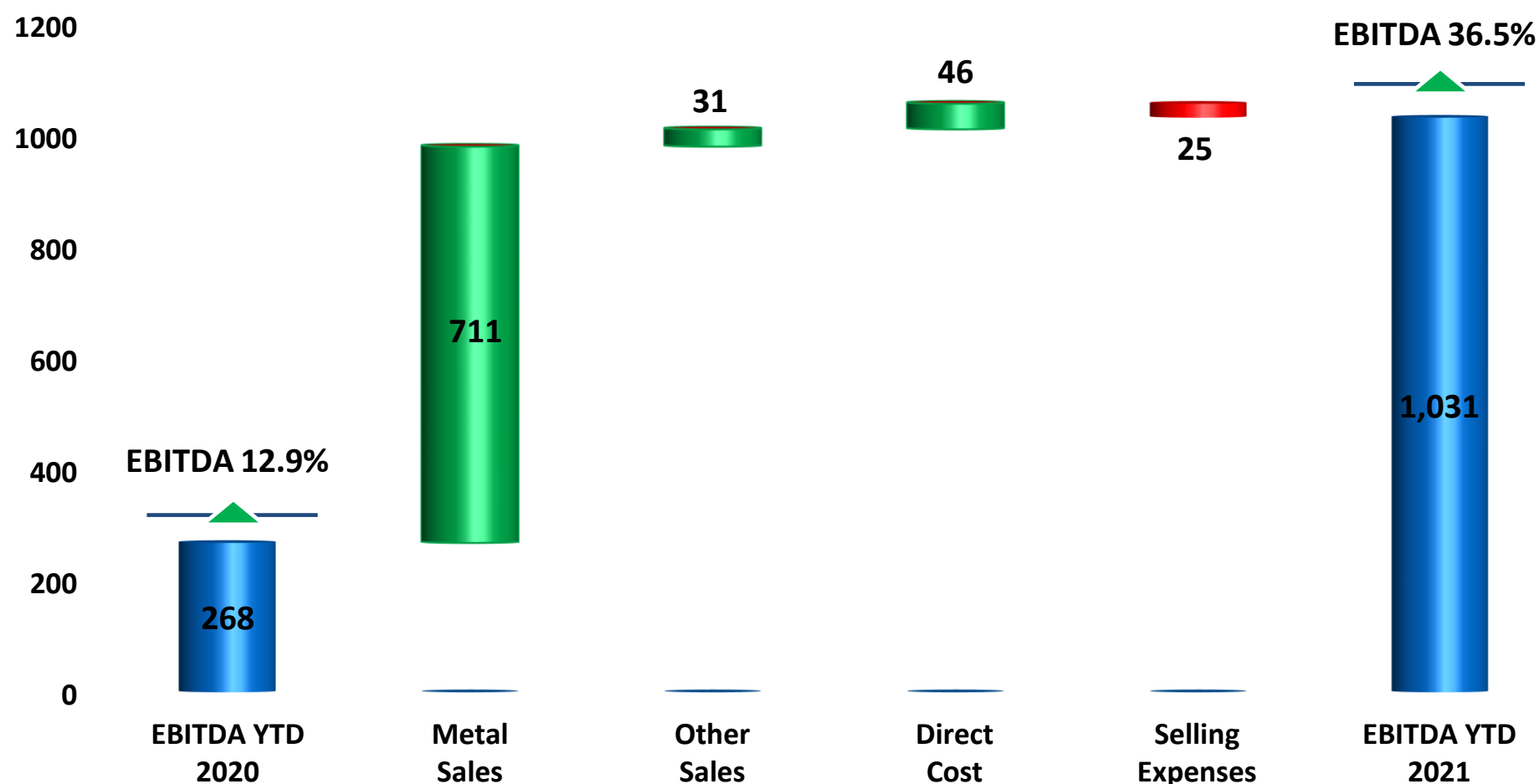
YTD 2021 vs. YTD 2020 - Direct Cost Bridge (US\$M)



## ALUMINIUM INDUSTRY: RALLY IN LME PRICES & PREMIUMS

Higher EBITDA Thanks to Higher VAP Sales and Higher LME Prices  
Strong EBITDA % at 36.5%

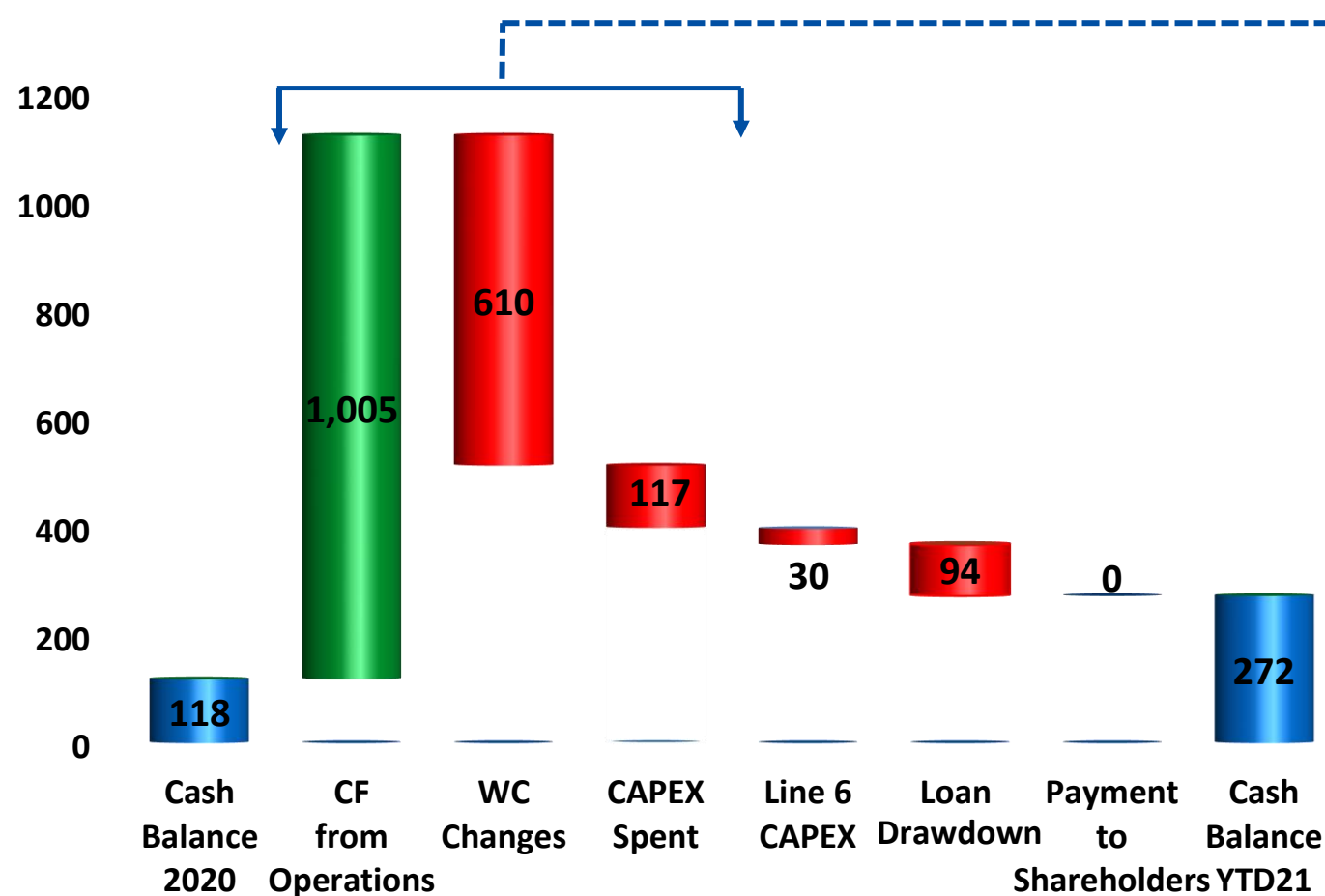
YTD 2021 vs. YTD 2020 - EBITDA Bridge (US\$M)



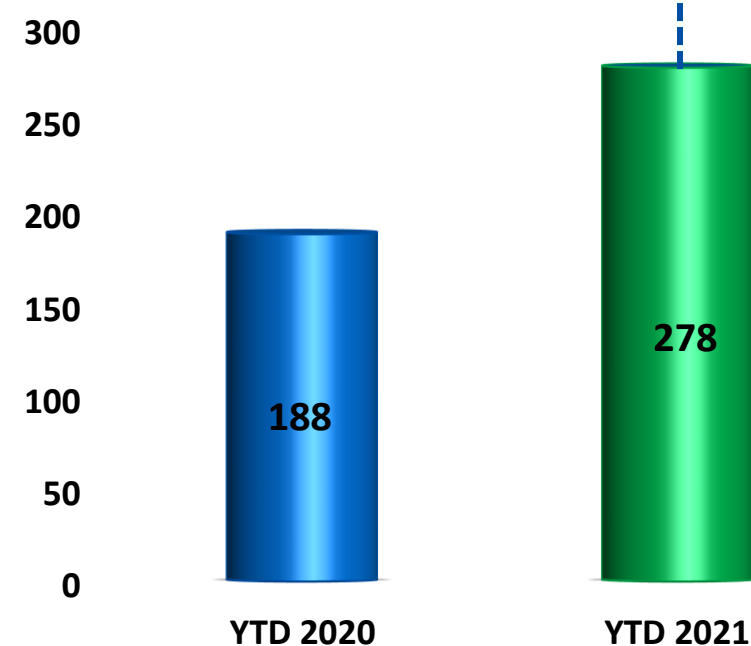
## ALUMINIUM INDUSTRY: RALLY IN LME PRICES & PREMIUMS

### Cash Flow Bridge: YTD 2021 vs. FY 2020

FY 2020 to YTD 2021 Cash Flow Bridge (US\$M)



Free Cash Flow (US\$M)



Operating & Investing Cash Flow  
(Excluding L6 CAPEX)

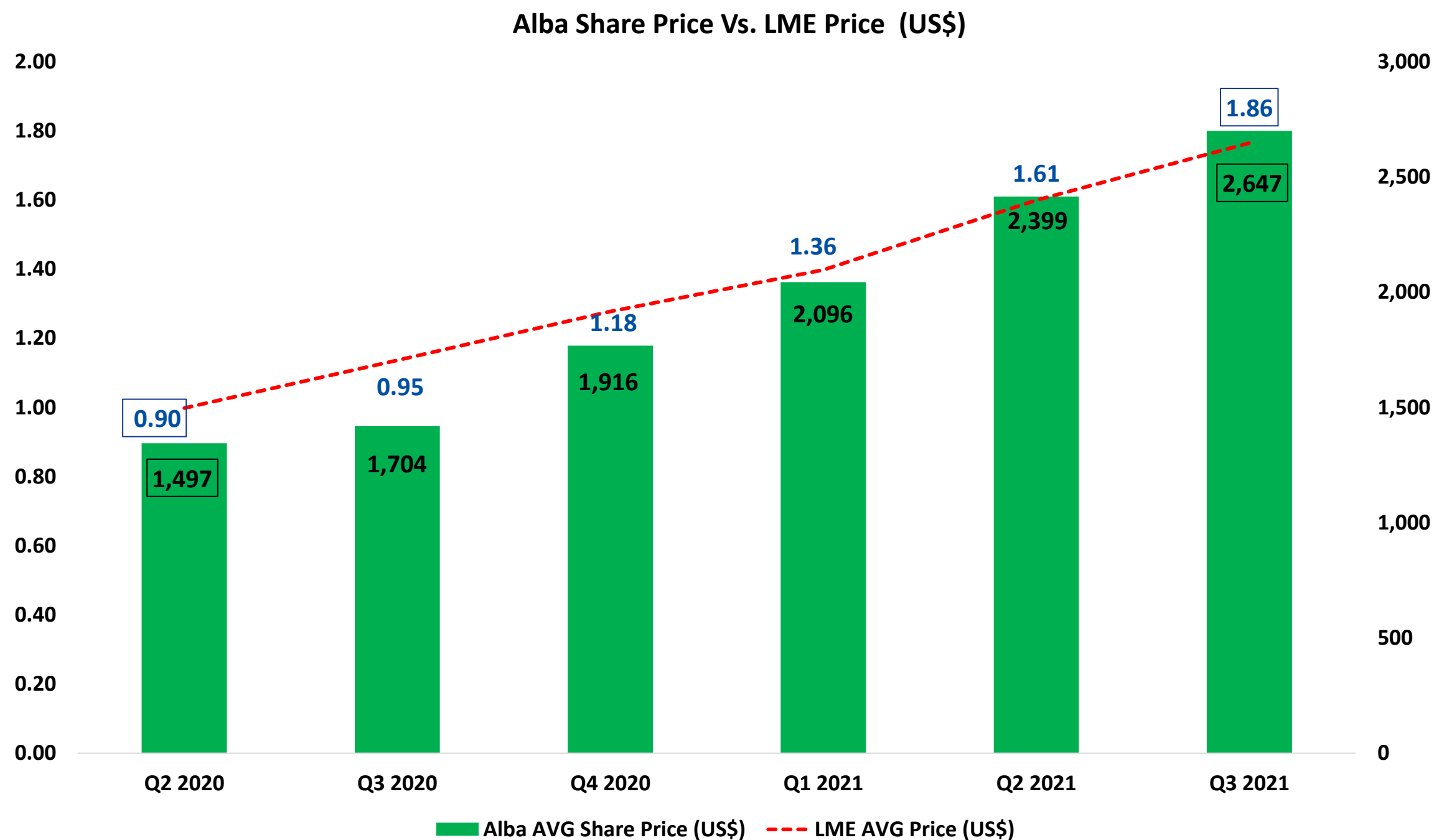


## ALBA SHAREHOLDERS' STRUCTURE



- 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, Fils 700 on 30 September 2021]

## ALBA SHARE PRICE YoY PERFORMANCE





For more information, please contact us on:

[IR@alba.com.bh](mailto:IR@alba.com.bh)



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