



Aluminium
for the world

Aluminium Bahrain B.S.C. (Alba)
CR. No. 999



ألمنيوم
للعالم

ألمنيوم البحرين ش.م.ب. (البا)
سجل تجاري رقم: ٩٩٩

Disclosure of Information

Aluminium Bahrain B.S.C. (Alba) would like to announce the following information in relation to its Q4 and Full Year 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 الرابع والسنة الكاملة لعام 2021.

Date	14 February 2022 14 فبراير 2022	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 Q4 and Full Year 2021 Financial Results' Conference Call on Monday 14 February 2022 at 3 PM.</p> <p>Attached for reference is the Q4 and Full-Year 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 الرابع والسنة الكاملة لعام 2021 يوم الإثنين الموافق 14 فبراير 2022 في تمام الساعة 03 ظهراً.</p> <p>تجدون في المرفقات العرض التقديمي لعلاقات المستثمرين للربع الرابع والسنة الكاملة لعام 2021 بالإضافة إلى 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
		

البا، ص.ب.: ٥٧٠، المنامة، مملكة البحرين، تليفون: ١٧٨٣٠٠٠٠ (+٩٧٣) ١٧٨٣٠٠٠٠

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Aluminium Bahrain B.S.C. (Alba) Q4 and Full Year 2021 Financial Results' Conference Call on Monday 14 February 2022



MINUTES OF THE Q4 and FY 2021 Financial Results' Conference Call

Opening Remarks

The Chief Executive Officer Mr. Ali Al Baqali led Aluminium Bahrain B.S.C. (Alba) Q4 and Full Year 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 the participants to Alba's IR Conference Call and stated that 2021 was a golden year as the Company completed its Golden Jubilee of Operations and 2021 marked Alba's highest-ever performance recorded in its 50 years of commercial operations. Furthermore, the CEO Mr. Al Baqali thanked Alba's BoD, Executive Management, and all employees for a successful year on all fronts.

Ms. Hilal covered the first two sections of the IR presentation: Industry Highlights based on CRU Market Intelligence and Alba Highlights based on Alba's official news which have been made public while the Chief Financial Officer, Mr. Bryan Harris, covered the third section by providing detailed insights on Alba's Full-Year 2021 results. The CEO presented the last 2 sections in relation to Industry Perspectives in 2022 (based on CRU Market Intelligence) as well as the Company's Priorities for the remainder of 2022 which are based on Alba's 5-Year Strategic Initiatives and Alba's 2020 Objectives.

Below are the questions/observations put forth by Mr. Ali Al Tareef - a shareholder in Alba:

- **More clarity on dividend as presented on page 15 of IR Presentation**

Ms. Hilal explained that Alba's BoD have recommended on 10 February 2022 a final tranche of US\$200 million, equivalent to Fils 53.14/share, to be paid after the AGM meeting in March 2022. The Total Dividend Pay-out ratio is 25% - taking into consideration the interim dividend of US\$100 million (equivalent to Fils 26.57/share) which was already distributed to the shareholders by 23 November 2021 - corresponds to US\$100 million (already paid) and US\$200 million to be paid in March 2022.

- **Accounts Payable days**

Mr. Harris responded that AP days for 2020 and 2021 were 53 days and 49 days. The reason behind the decrease in AP days was primarily due to payments made to the natural gas provider which have been outstanding in 2020. In 2020, the Company kept these payments on hold and as the situation improved in 2021, these dues were settled in 2021.

- **Insights on Alba's Cash Position**

Mr. Harris responded that Alba Cash Position is good even though the payment terms of VAP Sales are longer; in addition, the loan balance will be further reduced due to repayments.

- **A typo error on page 18 of the IR Presentation (2020 is repeated twice in the Inventory Days' Trend chart)**

Ms. Hilal acknowledged the observation made by the shareholder and stated that this will be rectified.

- **Net Debt to EBITDA Trend chart on page 19 of the IR Presentation [Mr. Tareef was not able to reconcile the EBITDA on the chart]**

Ms. Hilal noted that EBITDA is always given in the IR presentation and the Management is providing the Net Debt to EBITDA ratio on the chart itself.

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

- **What are the reasons behind the increase in Working Capital in 2021? Is the Company generous to its customers? Is this trend expected to continue in 2022?**

Mr. Harris responded that there are 4 major reasons for the increase in Working Capital:

1. Higher LME Prices (45% YoY).
2. Major 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]. In 2021, VAP Sales were 63% versus 44% in 2020.
3. Global shipping/logistics issues which put pressure on Inventories.
4. Lower Account Payables owing to settlement of dues to natural gas provider.

Mr. Harris added that finance team works closely with the marketing team to evaluate the trade-offs and the shift to VAP Sales have earned the Company higher margins. This trend is expected to continue as we are planning for more VAP Sales in 2022.

Below are the questions put forth by Mr. Anoop Fernandes, CFA from SICO B.S.C. (c)

- **Will the high premium trend continue in 2022?**

Mr. Ali Baqali advised that the premiums in 2022 will be similar to Q4 2021 and added that premiums were high owing to higher billet premiums.

- **Is Line 7 business case useful?**

Mr. Ali Baqali responded that Alba is planning to conduct a pre-feasibility study for Line 7 to determine its viability.

- **Any development (s) in respect to gas price?**

Mr. Ali Baqali replied that the natural gas is secured till 2024; as for the price, it will be US\$4/MMBTU effective 01 April 2022.

The meeting adjourned at 04:15 PM.

Note: The IR Presentation has been attached for reference



INVESTOR RELATIONS PRESENTATION

2021



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01

INDUSTRY HIGHLIGHTS¹



Strong Market Demand Supported by V-Shape Economic Recovery

- 2021: a golden year for Aluminium being the best performing metal out of major LME base metals
- Robust rebound in Global Demand supported by strong market recovery and economic activity in key markets (+8% YoY)
- Double-digit increase in World ex-China Consumption (+12% YoY) led by Europe (+13% YoY) and North America (+13% YoY)
- Middle East demand up by 10% YoY fuelled by higher consumption in UAE (+11% YoY), Bahrain (+9% YoY) & KSA (+7% YoY)
- Chinese consumption up by 5% YoY thanks to a good pick-up in industrial activity



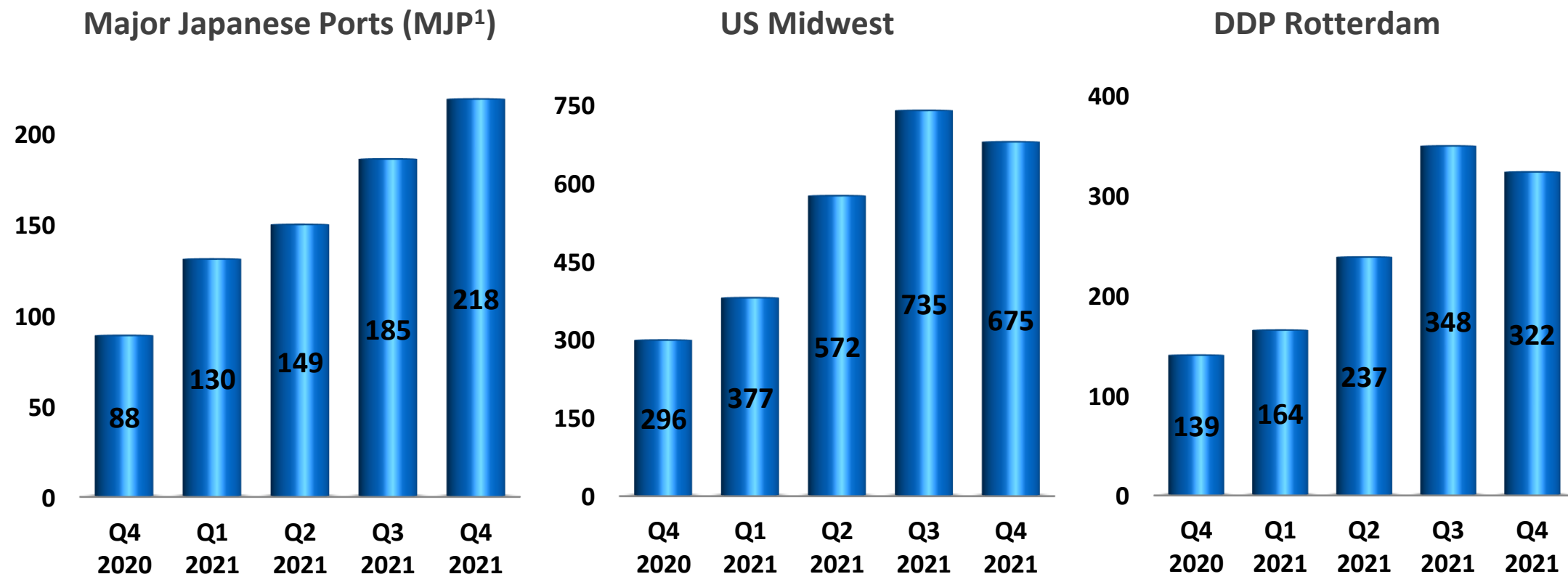
Strong Aluminium Fundamentals Support Supply Growth by 4% YoY

- 🌐 European smelting industry hit hard by escalating gas and power prices. 7 Aluminium producers have curtailed their supply since Oct'21 -> meek growth of 1% YoY
- 🌐 China: a net importer of Aluminium [supply up by 5% YoY] --> which helped to reduce metal surplus outside China
- 🌐 Middle East supply: a modest increase of 1% YoY (UAE up by 2% YoY & Bahrain up by 1% YoY)
- 🌐 World market deficit widens by 2021-end with China (-1.1 million MT) and w/o China (-1.2 million MT)



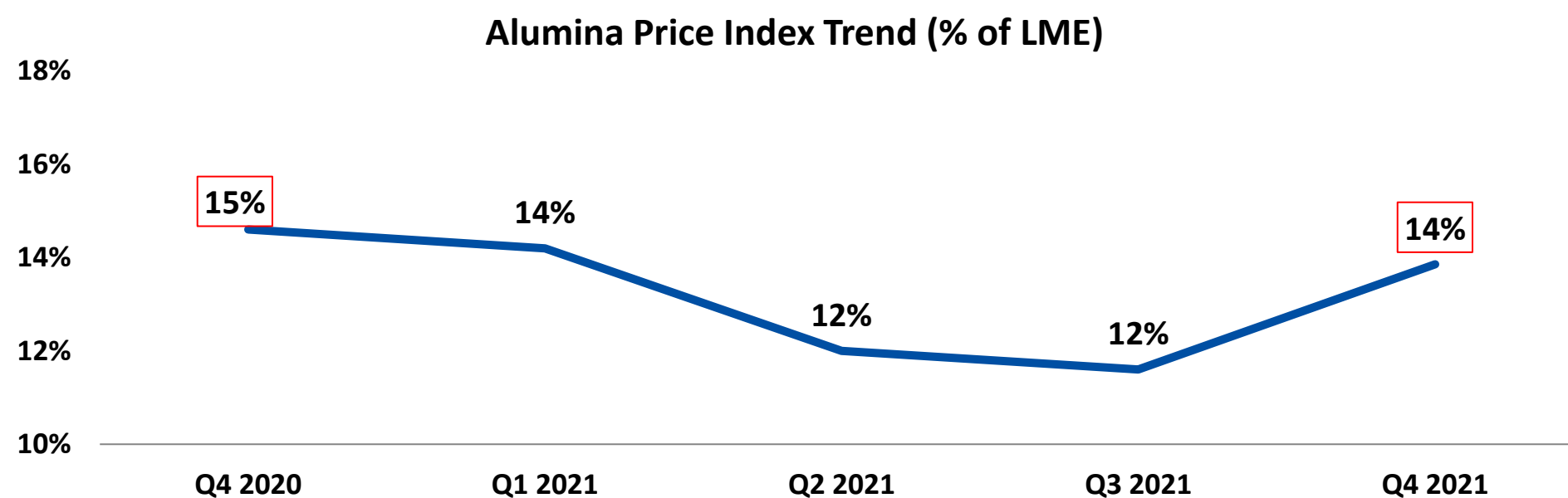
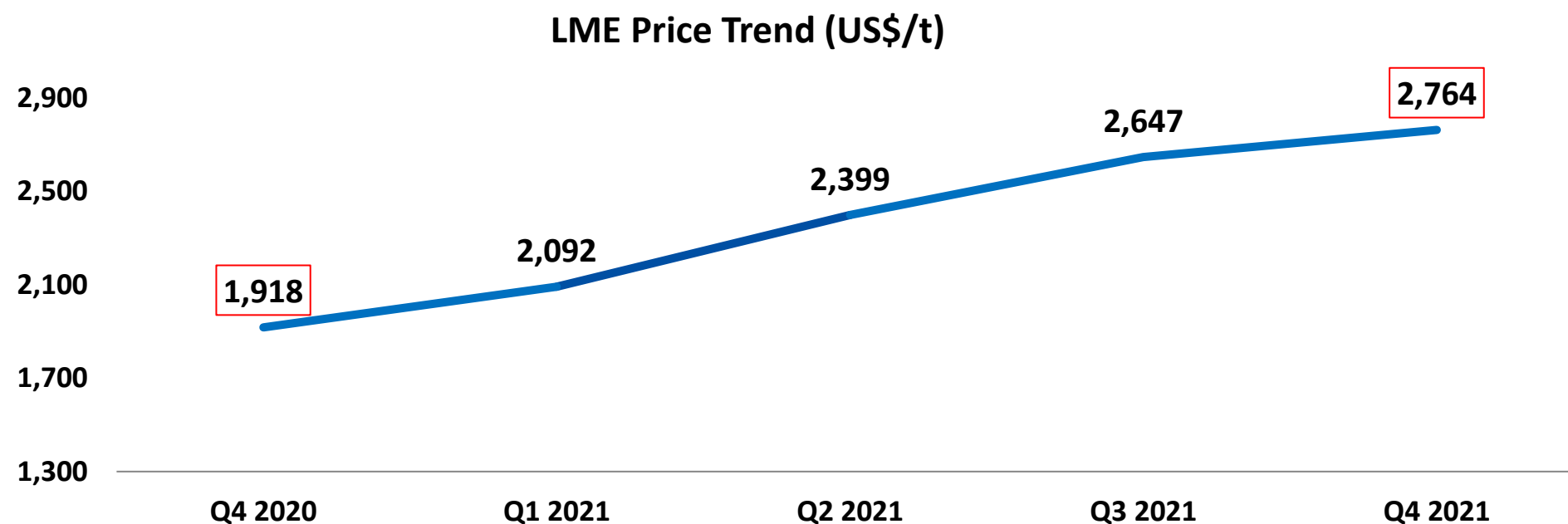
LME Price & Premiums

- Aluminium prices break higher on supply constraints due to European power market. LME-Cash averaged US\$2,475/t - up by 45% YoY [lowest: US\$1,952/t on 19 Jan'21 and highest: US\$3,180/t on 18 Oct'21]
- LME inventories remain low at ~0.9 million MT by end-2021 (versus ~1.3 million MT in 2020)
- Premiums relatively high owing to supply cuts and higher freight costs



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

Alumina Price: 14% of LME Price [US\$383/t]





02

ALBA HIGHLIGHTS¹

¹Alba Highlights relate to Alba official news

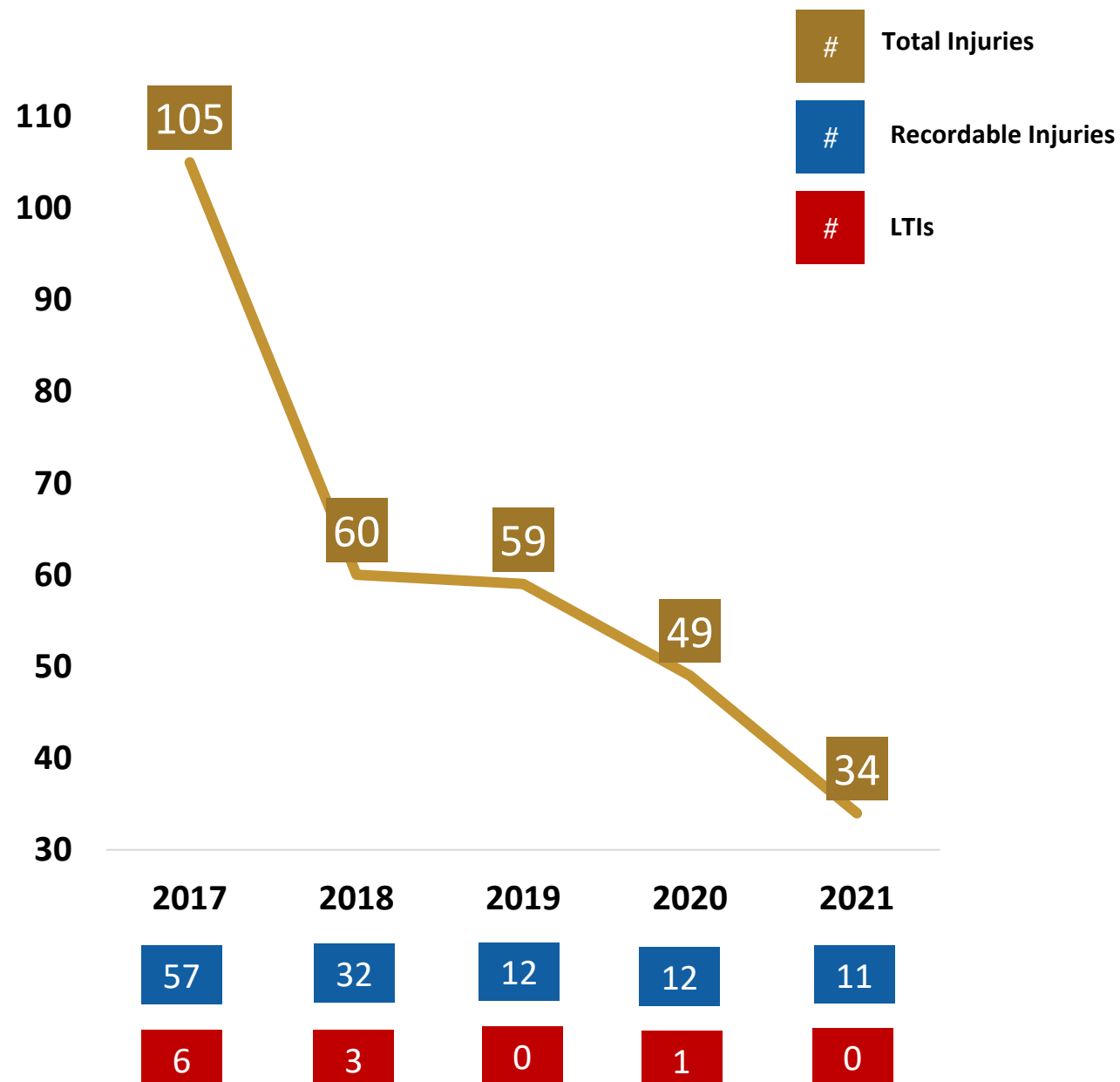


Major Environment, Social and Governance (ESG) Highlights

- Collaborated with a top-class consultant to develop a fully-fledged ESG roadmap in line with Bahrain's Objectives towards 'Net Zero Emissions' by 2060
- Alba CEO received People First Leader Award in Oct'21 during the GCC GOV HR Awarding Ceremony 2021
- Launched 2nd plant-wide Environment, Social, and Governance (ESG) Campaign 'Shaping Our Future' on 24 Oct'21; supported Bahrain's national initiatives to combat climate change with 'A Tree for Employee' on 16 Nov'21
- Appointed a new Acting ESG Manager to drive Alba's ESG transformation on 05 Dec'21
- Released 2020 Sustainability Report with independent limited assurance on compliance with the Global Reporting Initiative (GRI) Standards on 07 Dec'21
- Commissioned Spent Pot Lining (SPL) Treatment Plant, an Environmental Conservation Project, first-of-its-kind in the region on 12 Dec'21



Safety in Numbers



ESG Roadmap for Alba's Race to Net Zero



Decarbonisation

- › Energy Management System (EMS) & Power Station Efficiency
- › Afforestation & Reforestation
- › Inert Anode Technology
- › Hydrogen
- › Carbon Capture & Storage (CC&S) & Carbon Offsets



Green Energy & Aluminium

- › On-site Solar
- › Government Collaboration



Circular Economy & Secondary Aluminium

- › Securing Recycled Materials
- › Securing Recycled Infrastructure
- › Partnership with International Recycler



Employee Welfare

- › Employee Satisfaction Assessment
- › Community ESG Training
- › Equal Opportunity Employment



Collaboration & Partnership

- › Green Financing
- › University Collaboration



Transparency, Communications & Due Diligence

- › ESG Due Diligence



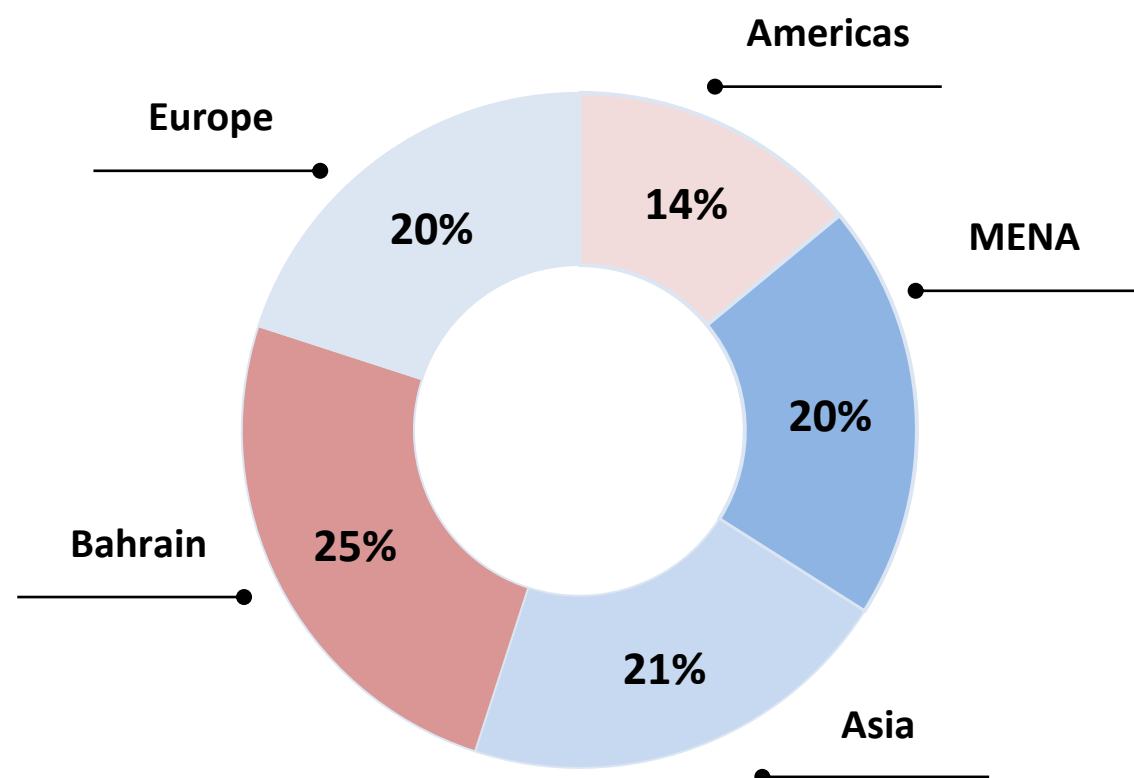


Operational Highlights

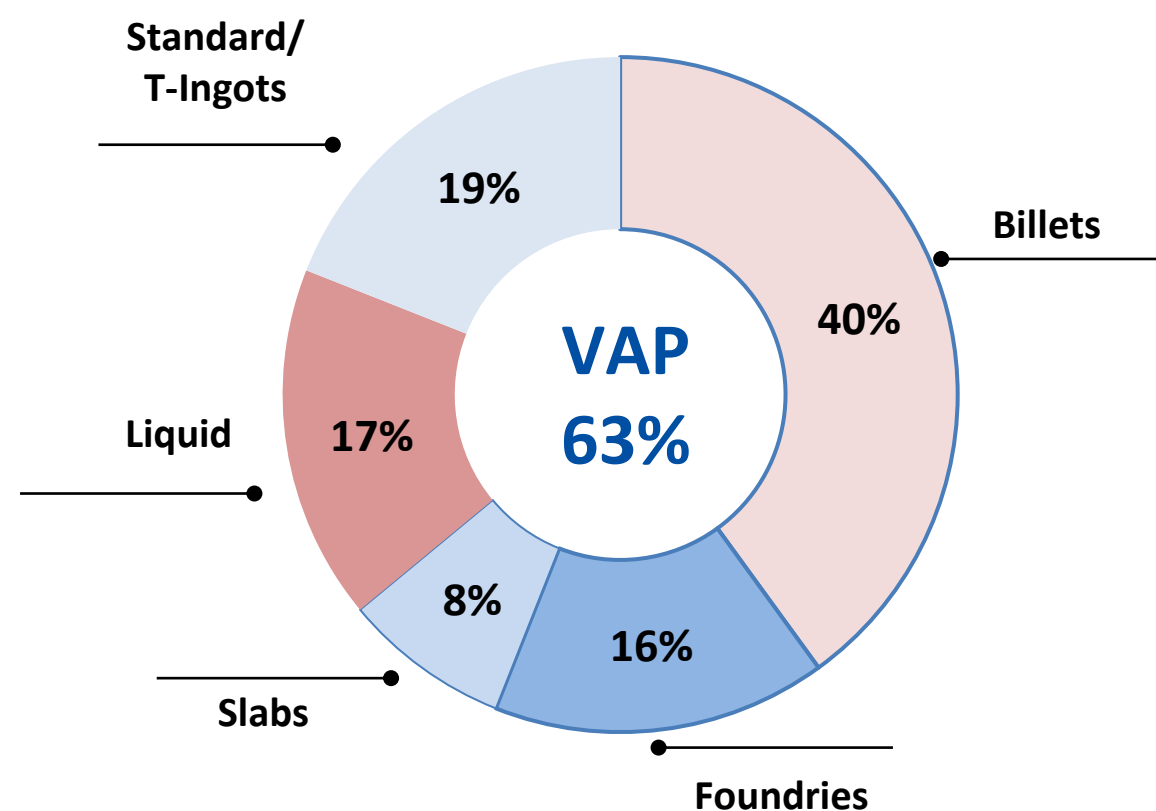
- 🌐 Closed 2021 with an all-time Production record of 1,561,222 metric tonnes (MT) and higher Sales' volume of 1,550,857 MT despite logistics' challenges
- 🌐 Value Added Sales averaged 63% of the total shipments vs. 44% in 2020 [VAP in MT: 977,582 up by 44% YoY]
- 🌐 Made in Bahrain & Branching-out to the World: Alba product-portfolio in more than 50 countries
- 🌐 Launched new website to offer an up-close and user-friendly experience after unveiling new Vision, Mission and Values in Jan'21
- 🌐 Promoted 607 employees in 2021, highest ever achieved in Alba's history, based on Alba's Master Training Plan (initiated back in 2019), Skills Matrix and Training & Development Programme (TDP) and Al Jisr Programme (launched in 2020)

Sales' Breakdown

By Geographic Footprint



By Product-Line



Financial Key Performance Indicators – Q4 & FY 2021

EBITDA - driven by higher LME price & premiums



FY: US\$1,636 million
up by 260% YoY

Q4: US\$605 million
up by 224% YoY

FY: US\$1,202 million
up by 4,532% YoY

Q4: US\$482 million
up by 466% YoY

Free Cash Flow¹ - impacted by working capital changes



FY: US\$581 million
down by 303% YoY

Q4: US\$304 million
up by 791% YoY



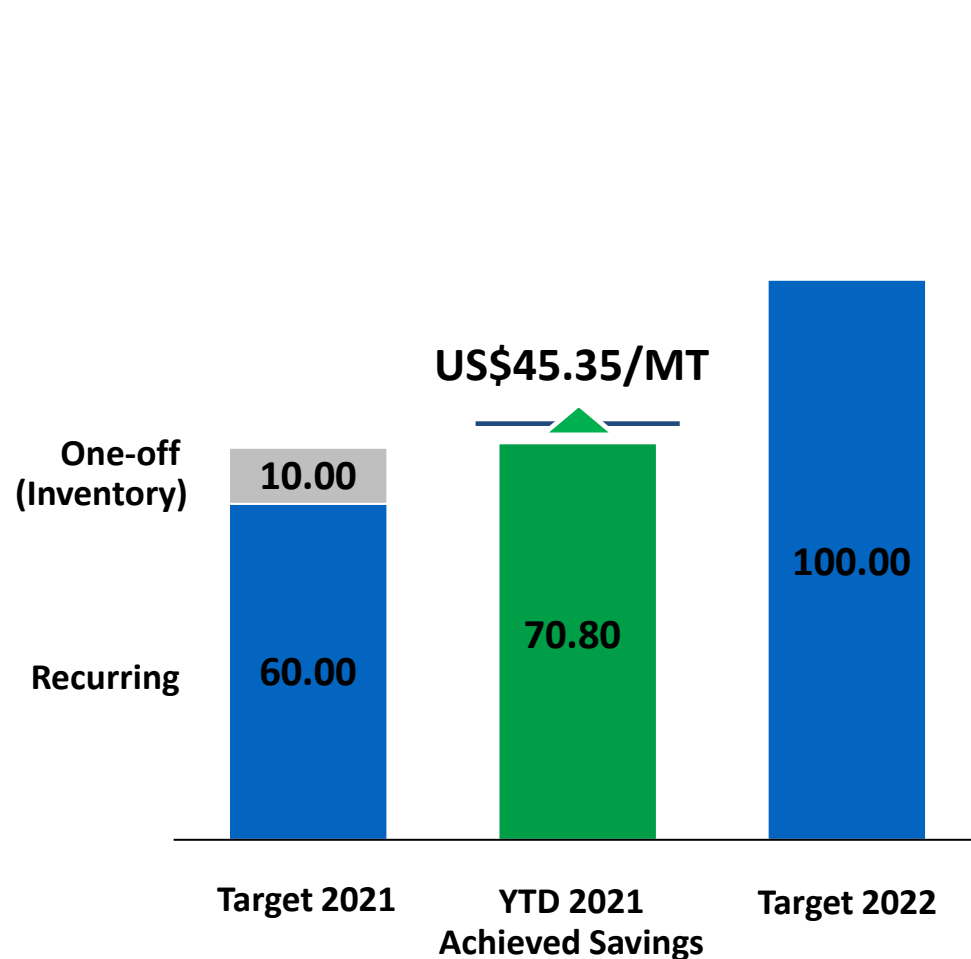
Net Income - driven by higher EBITDA

Alba Board recommends
dividend of US\$200 million to
be paid in Mar'22 [2021
Dividend Pay-out ratio: **25%**]

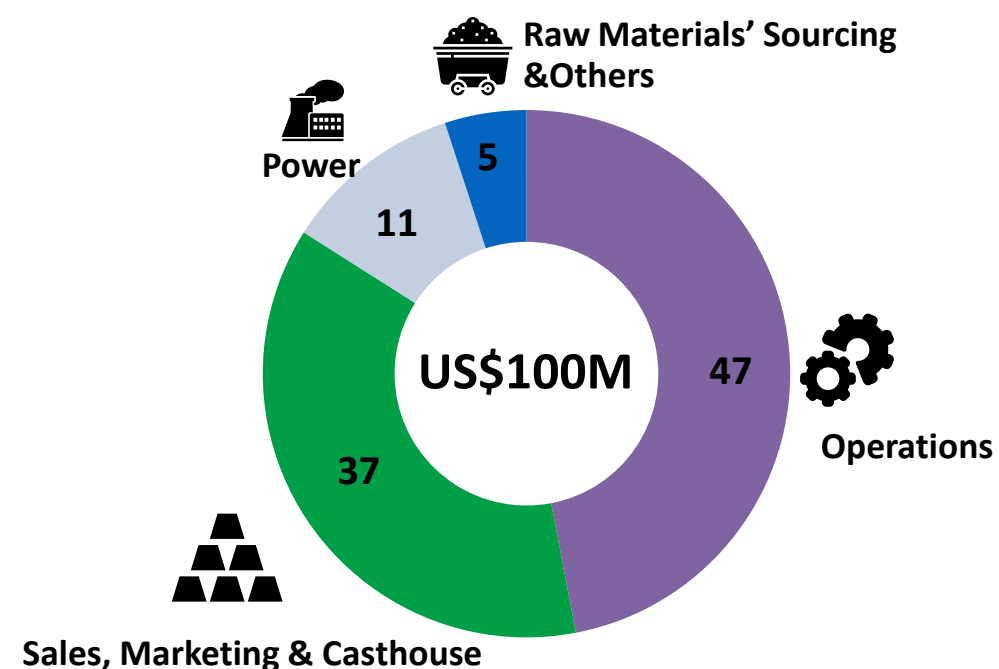


AL HASSALAH Initiative (2-Year): Save US\$100 Million by 2022

AL HASSALAH (US\$ Million)

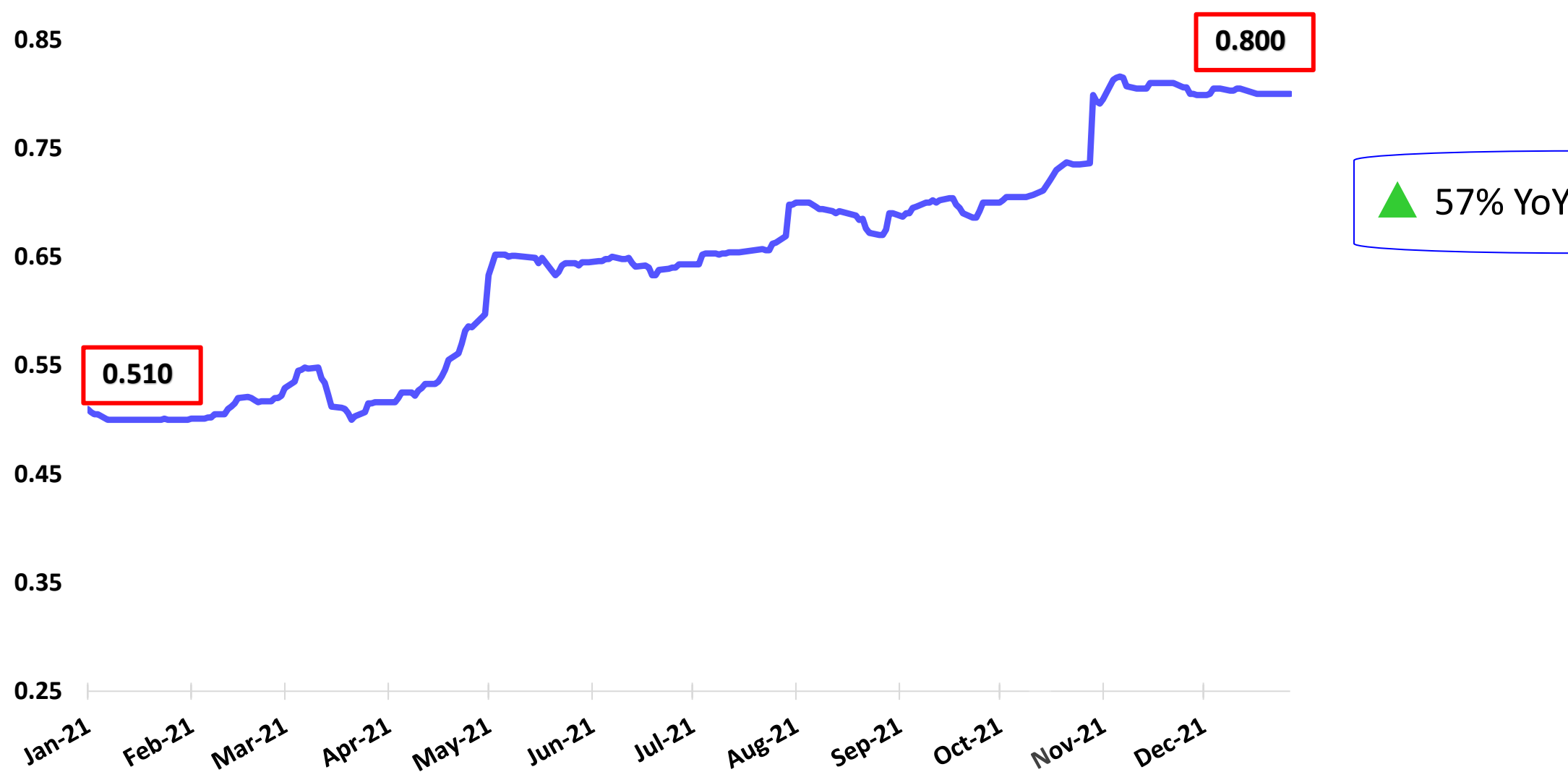


Breakdown by Value Chain (US\$ Million)



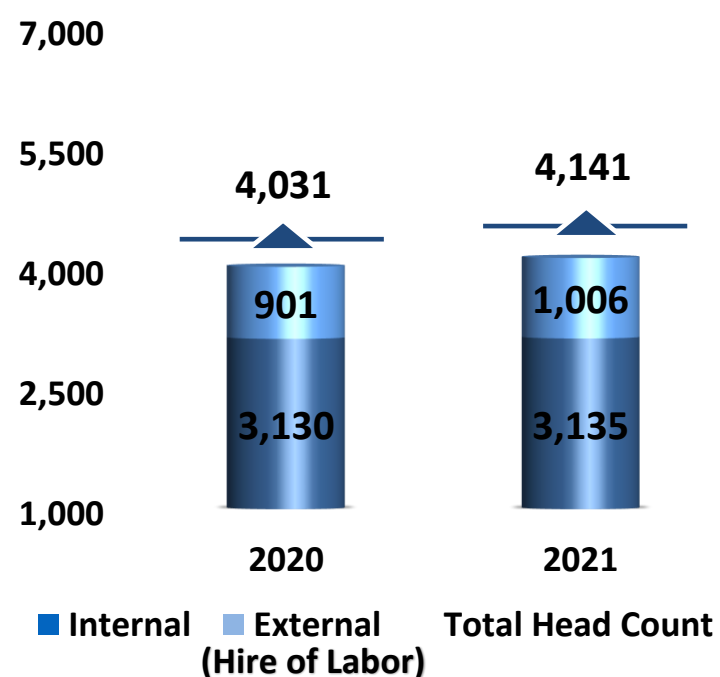


Alba Share Price Performance [Alba, Fils]

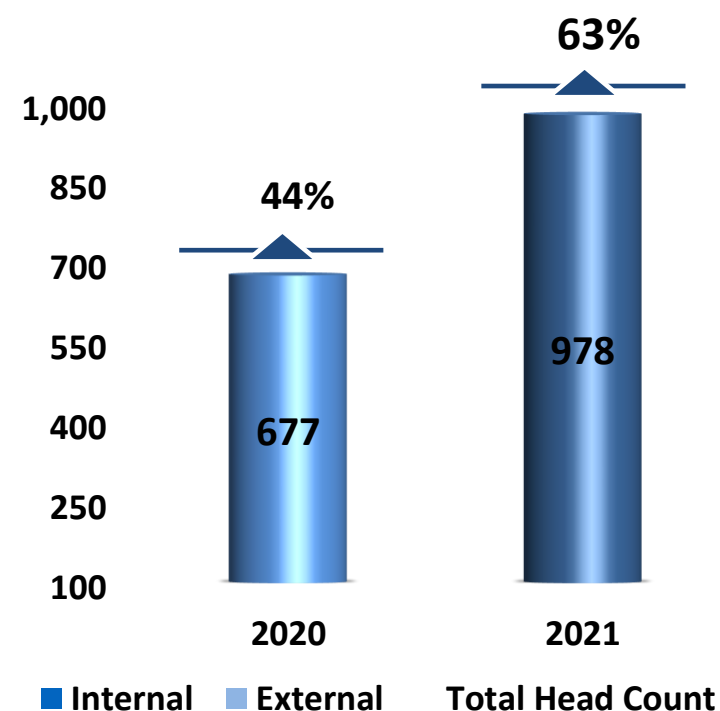


Alba Operational Productivity

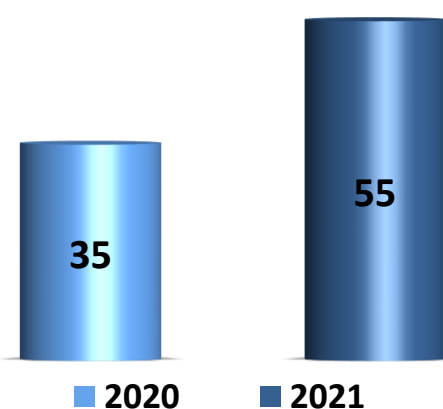
Head Count



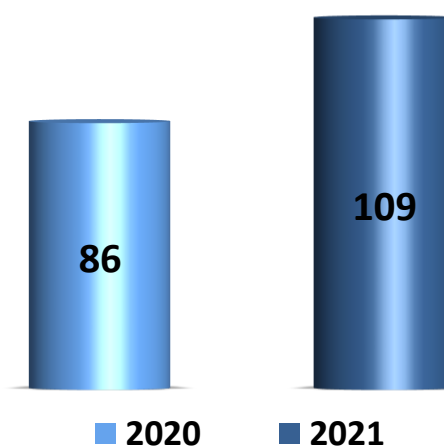
Value Added Sales (MT'000) as a % of Total Sales



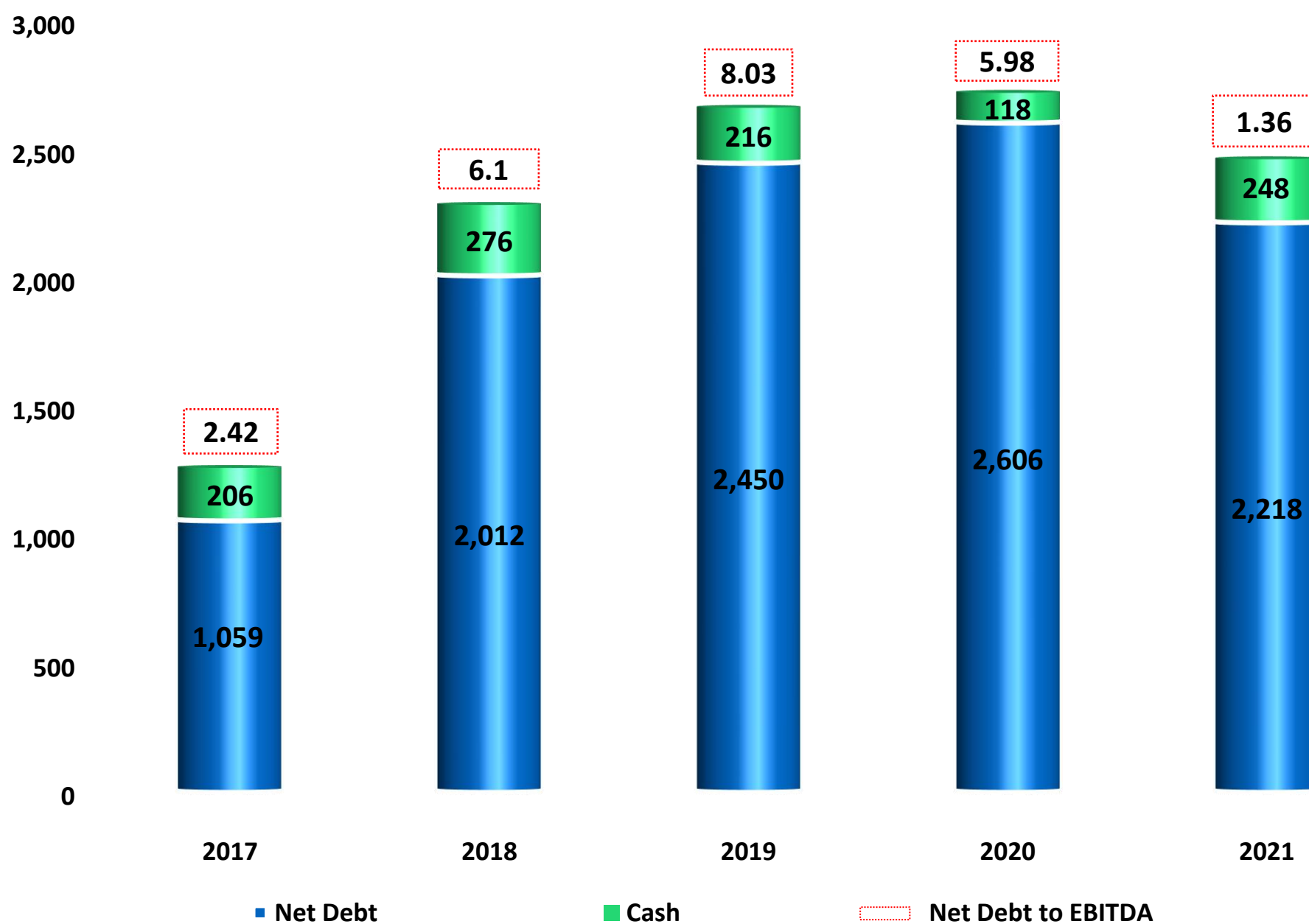
Account Receivable Days' Trend



Inventory Days' Trend



Net Debt to EBITDA Ratio (x)



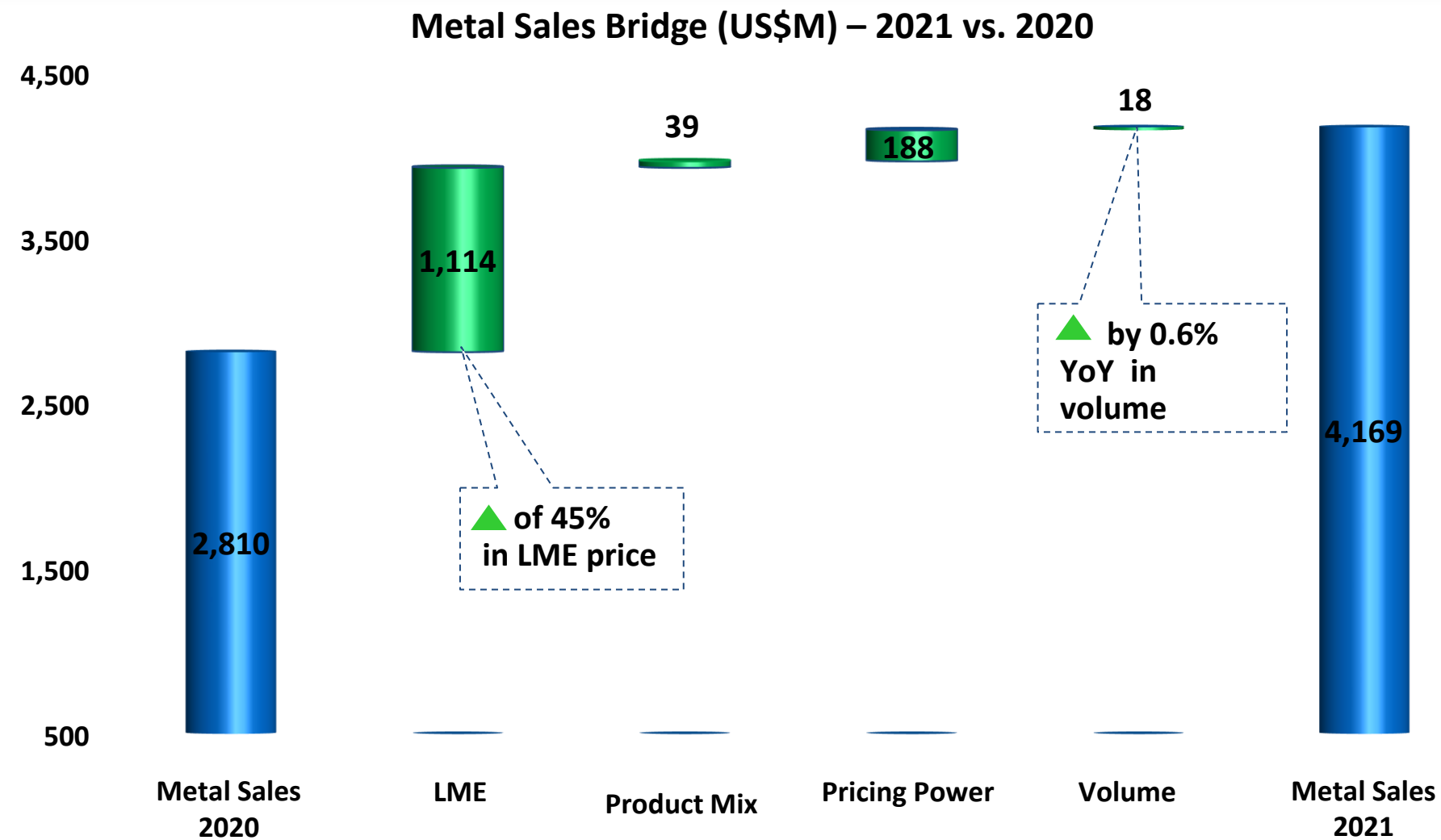


03

2021 RESULTS

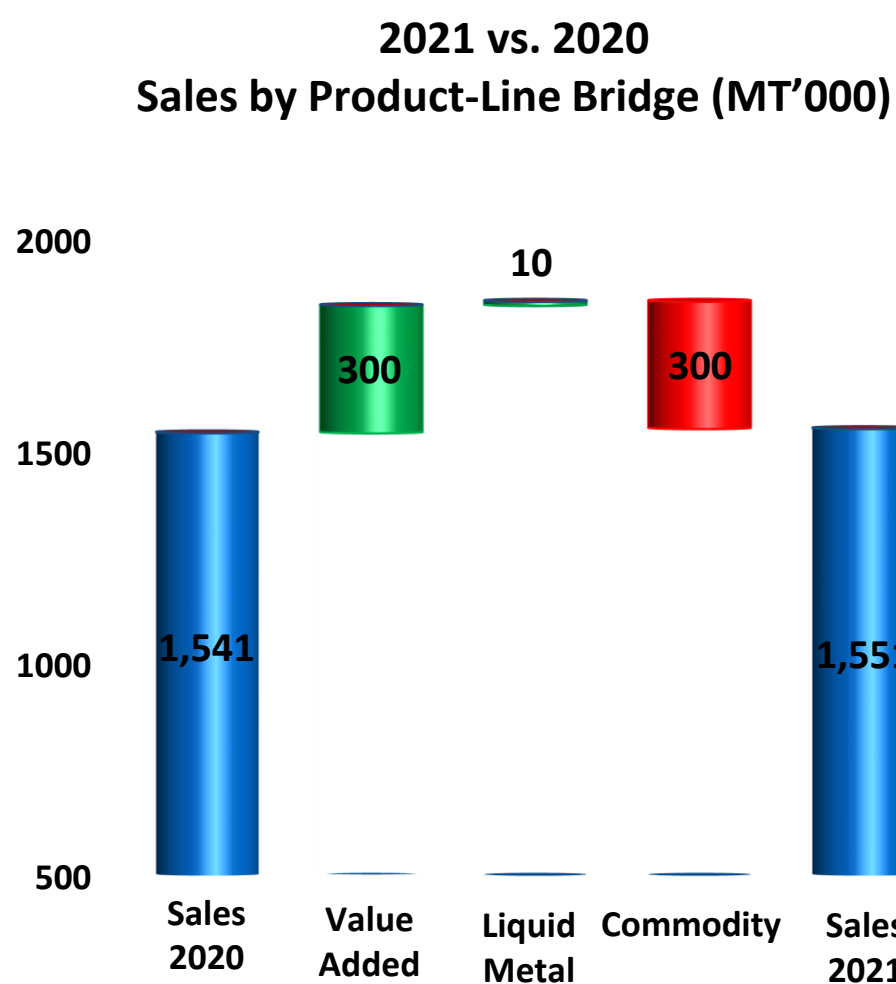
Strong Market Sentiment Fuels Rebound in LME Price

Metal Sales Bridge Analysis: 2021 vs. 2020
Higher Metal Sales Thanks to Higher LME Prices & Premiums

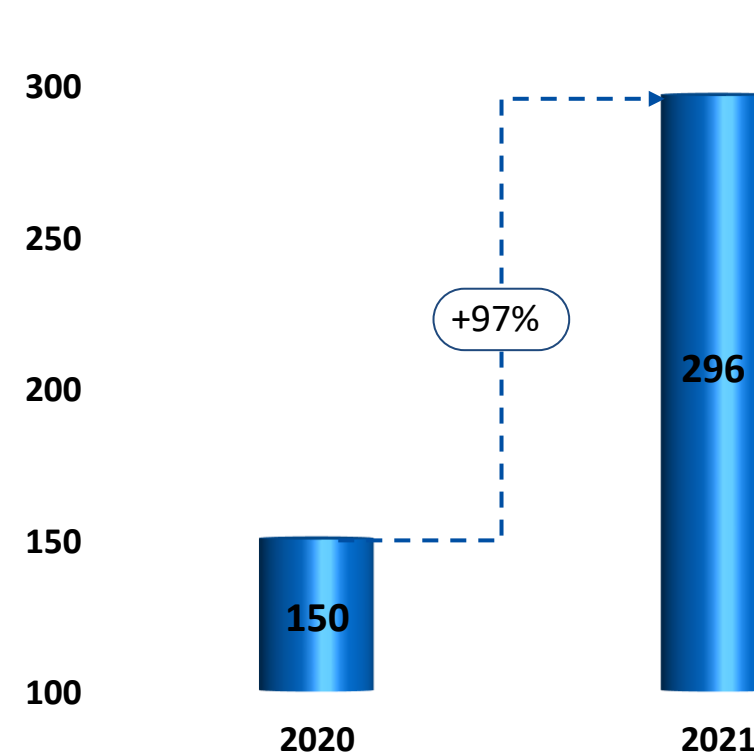


Strong Market Sentiment Fuels Rebound in LME Price

Higher VAP | Lower Commodities' Volume | Higher Premiums



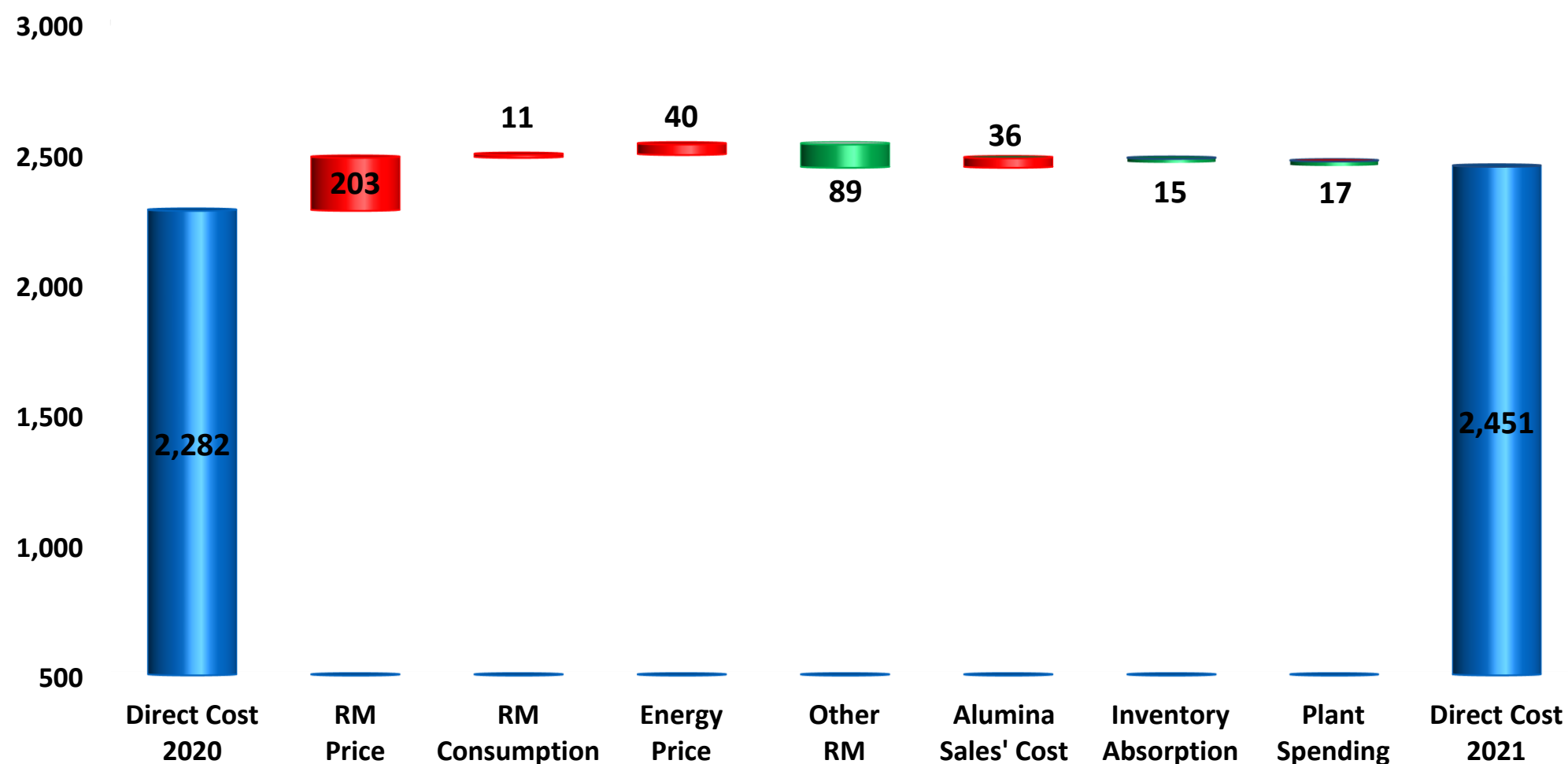
Premium Above LME Trend US\$/MT



Strong Market Sentiment Fuels Rebound in LME Price

Cost Analysis 2021 vs. 2020
Higher Direct Cost Owing to Higher Alumina, CPC Prices & Production

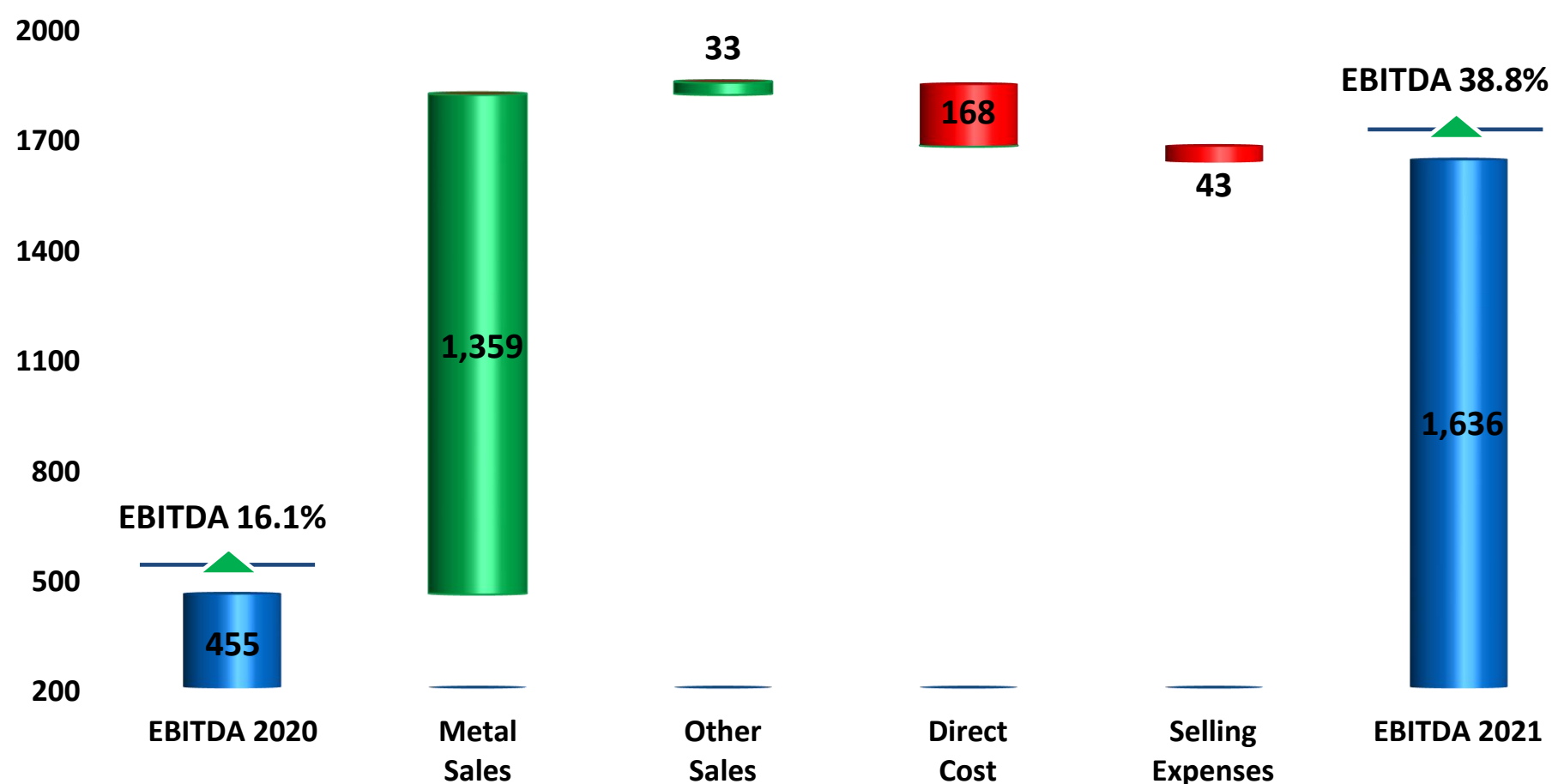
Direct Cost Bridge (US\$M) – 2021 vs. 2020



Strong Market Sentiment Fuels Rebound in LME Price

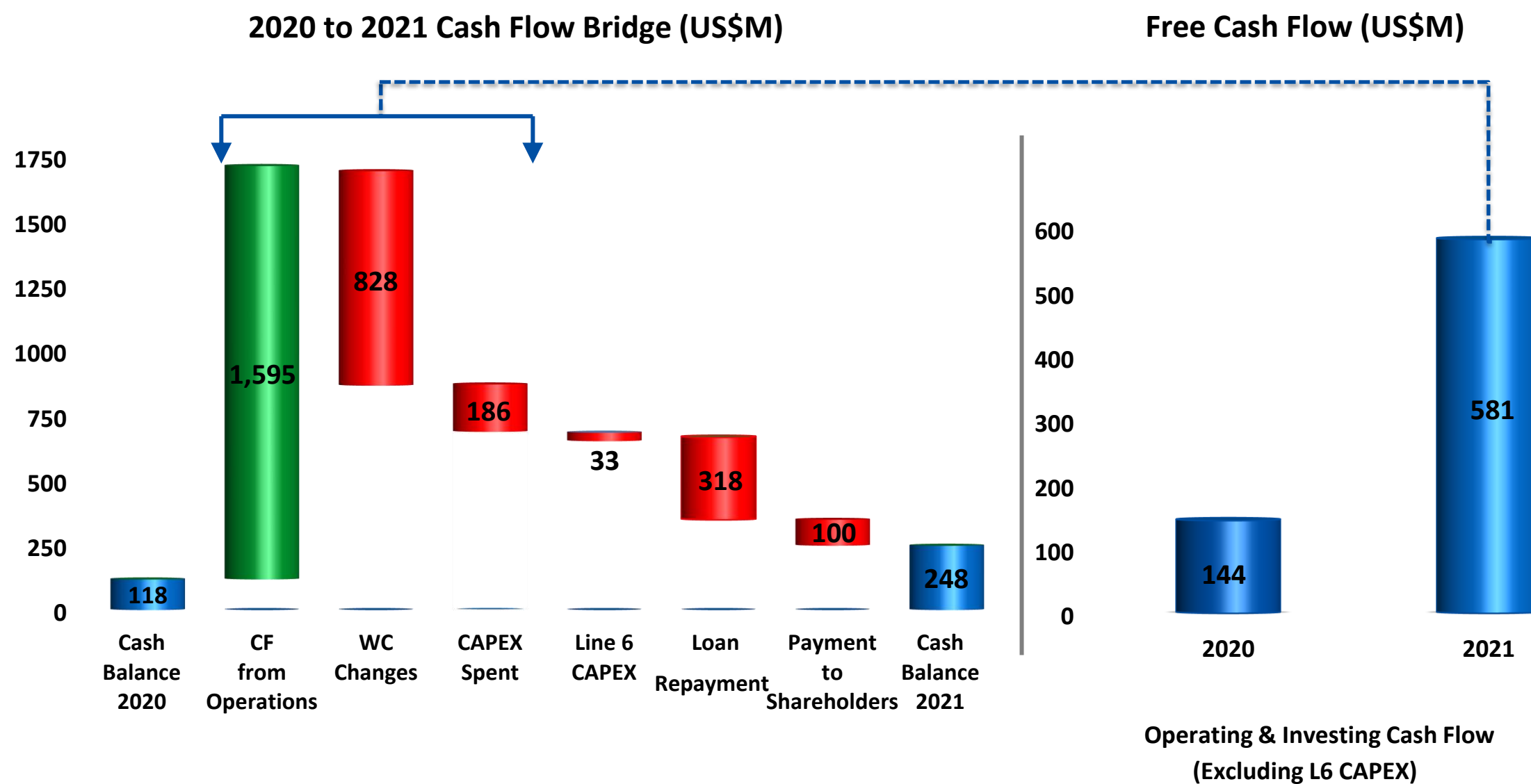
EBITDA Bridge Gap Analysis – 2021 vs. 2020
Strong EBITDA Margin at 38.8%

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



Strong Market Sentiment Fuels Rebound in LME Price

Cash Flow Bridge – 2020 to 2021: Sound Cash Position



Strong Market Sentiment Fuels Rebound in LME Price

Record Breaking Operational & Financial Performance Supported by Higher LME Prices

Financial Summary	Q4 2021	Q4 2020	FY2021	FY2020
Average Cash LME (US\$/MT)	2,764	1,918	2,475	1,702
Average Alumina Price (US\$/MT)	383	276	325	280
Revenues ¹ (US\$M)	1,392	741	4,215	2,823
EBITDA (US\$M)	605	187	1,636	455
EBITDA%	43.5%	25.2%	38.8%	16.1%
Net Profit (US\$M)	482	85	1,202	26
Gain /(Loss) Unrealised Derivatives	(1)	-	-	(8)
Adjusted Net Income ²	483	85	1,202	34



04

INDUSTRY PERSPECTIVES¹ IN 2022

Aluminium Market to Remain Bullish on Firm Demand & Tight Supply

- High energy prices in Europe and China as well as rising geopolitical tensions between Russia and Ukraine would ignite supply crunch, hit supply chain and lift Aluminium prices and premia to record highs
- Demand in North America will show another year of robust growth thanks to automotive and construction sectors
- China production on the road to recovery but will continue to be a net importer in 2022 with 1.95 million MT
- 2022 global market deficit to widen to 2.3 million MT
- LME Price to remain high and will range between US\$2,750/t – US\$3,000/t supported by higher cost and market deficit

Industry Perspectives in 2022

Raw Materials Price Trends (Al_2O_3 , AlF_3 and GPC)

- Alumina spot prices are set to peak until Q2-end 2022 then will ease down with the drop in Aluminium prices by H2 2022
- Aluminium Fluoride to remain at higher levels until Q1 2022 amidst power disruptions in China
- Carbon markets (GPC, CPC & Anodes) to be impacted by supply shortages and increasing metal demand
- Liquid Pitch prices to remain at the higher range amidst supply shortage in the market and higher global demand



05

2022 ALBA PRIORITIES

2022 Alba Priorities

ESG Focus & Journey Towards Safety Excellence

- 🌐 Deliver on newly-launched ESG roadmap in line with Bahrain's objectives for 'Net Zero Emissions' by 2060
- 🌐 Evolve Towards Safety Excellence & Keep Alba's Human Capital Safe Amidst COVID-19
- 🌐 Meet 2022 Production Target of 1,560,000 metric tonnes & Deliver on AL HASSALAH Savings' Target of US\$100 Million by 2022-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 to 70%
- 🌐 Progress with PS5 Block 4 to further boost efficiency and Solar Farm
- 🌐 Engage with consultant to conduct pre-feasibility study for Line 7 smelter



06

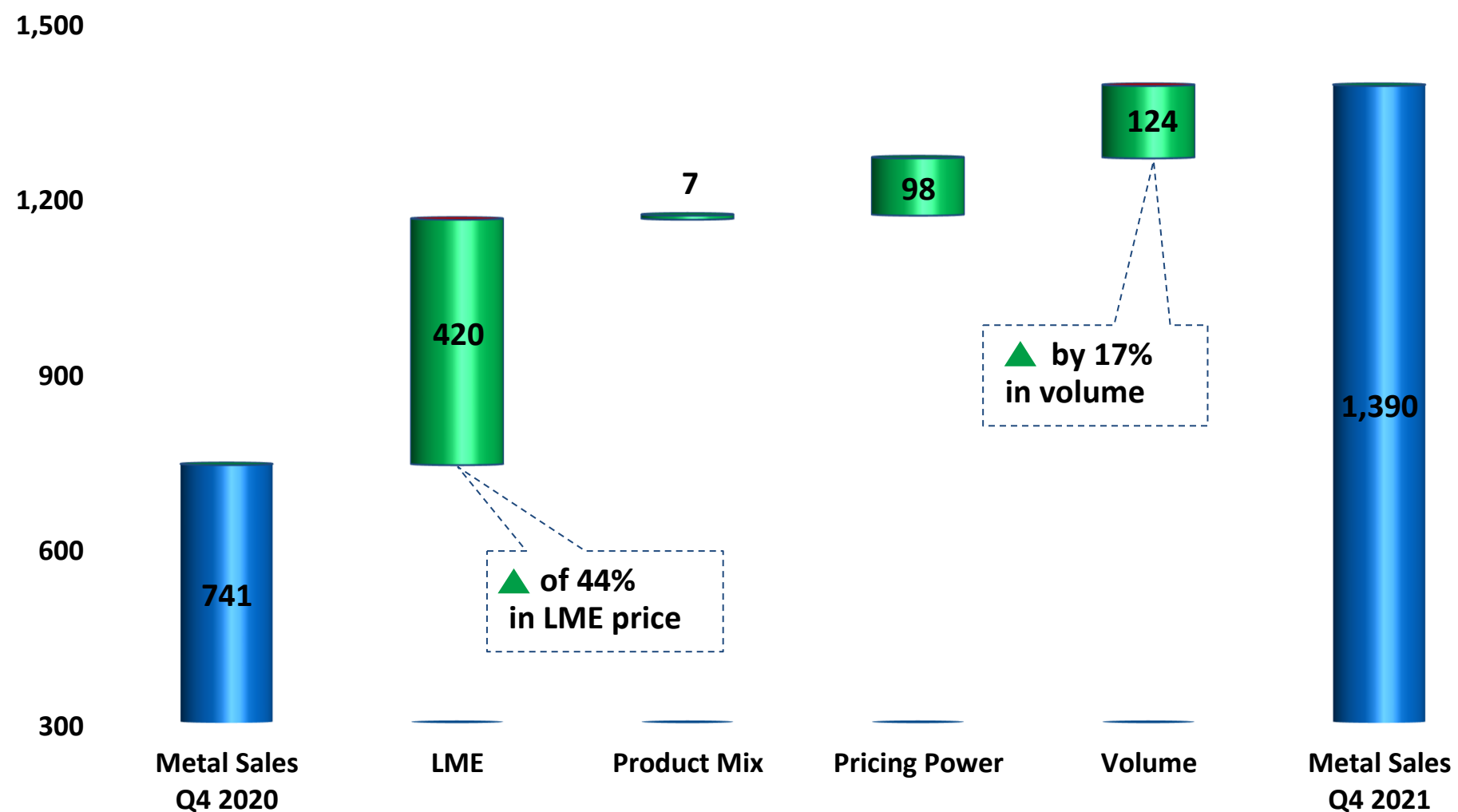
APPENDIX – Q4 2021



Strong Market Sentiment Fuels Rebound in LME Price

Metal Sales Bridge Analysis: Q4 2021 vs. Q4 2020
Higher Metal Sales Thanks to Higher LME and Higher Sales' Volume

Metal Sales Bridge (US\$M) – Q4 2021 vs. Q4 2020

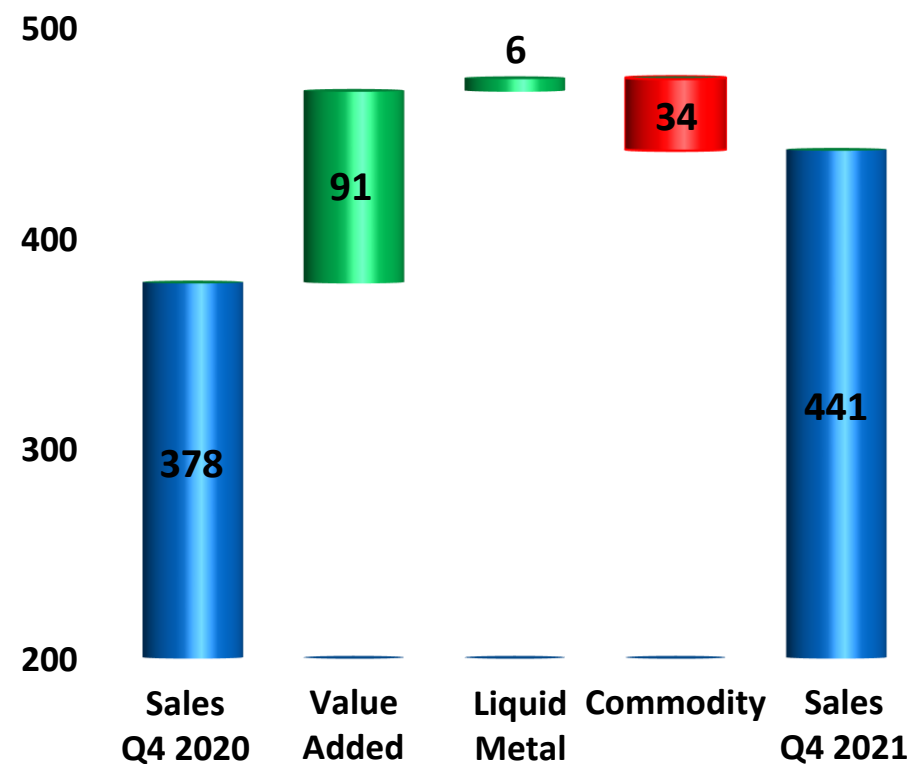




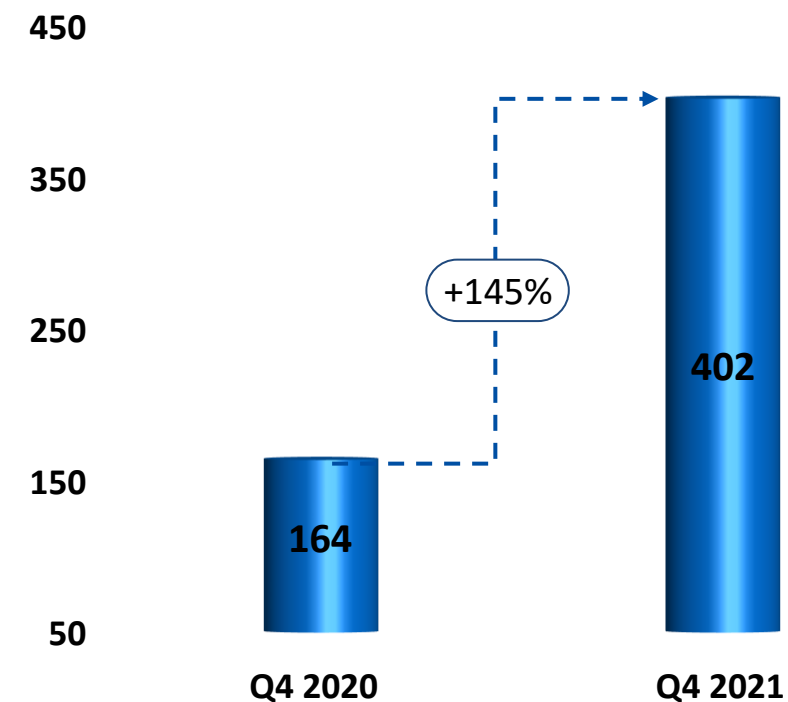
Strong Market Sentiment Fuels Rebound in LME Price

Higher VAP | Lower Commodities' Volume | Higher Premiums

Sales by Product-Line Bridge (MT'000)
Q4 2021 vs. Q4 2020



Premium Above LME Trend US\$ Per MT

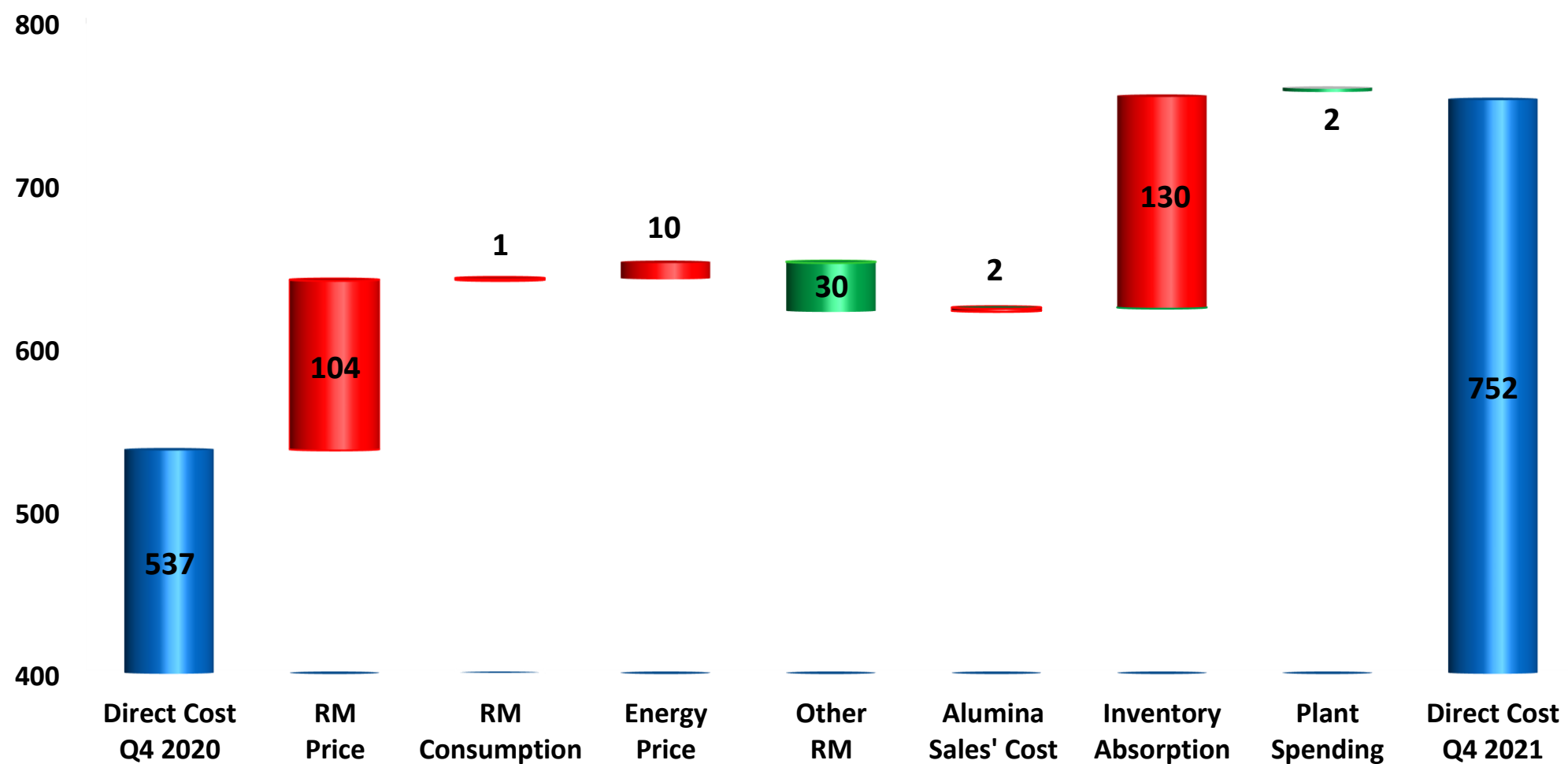




Strong Market Sentiment Fuels Rebound in LME Price

Higher Direct Cost Owing to Higher Alumina, CPC Prices & Higher Production and Other Operating Costs

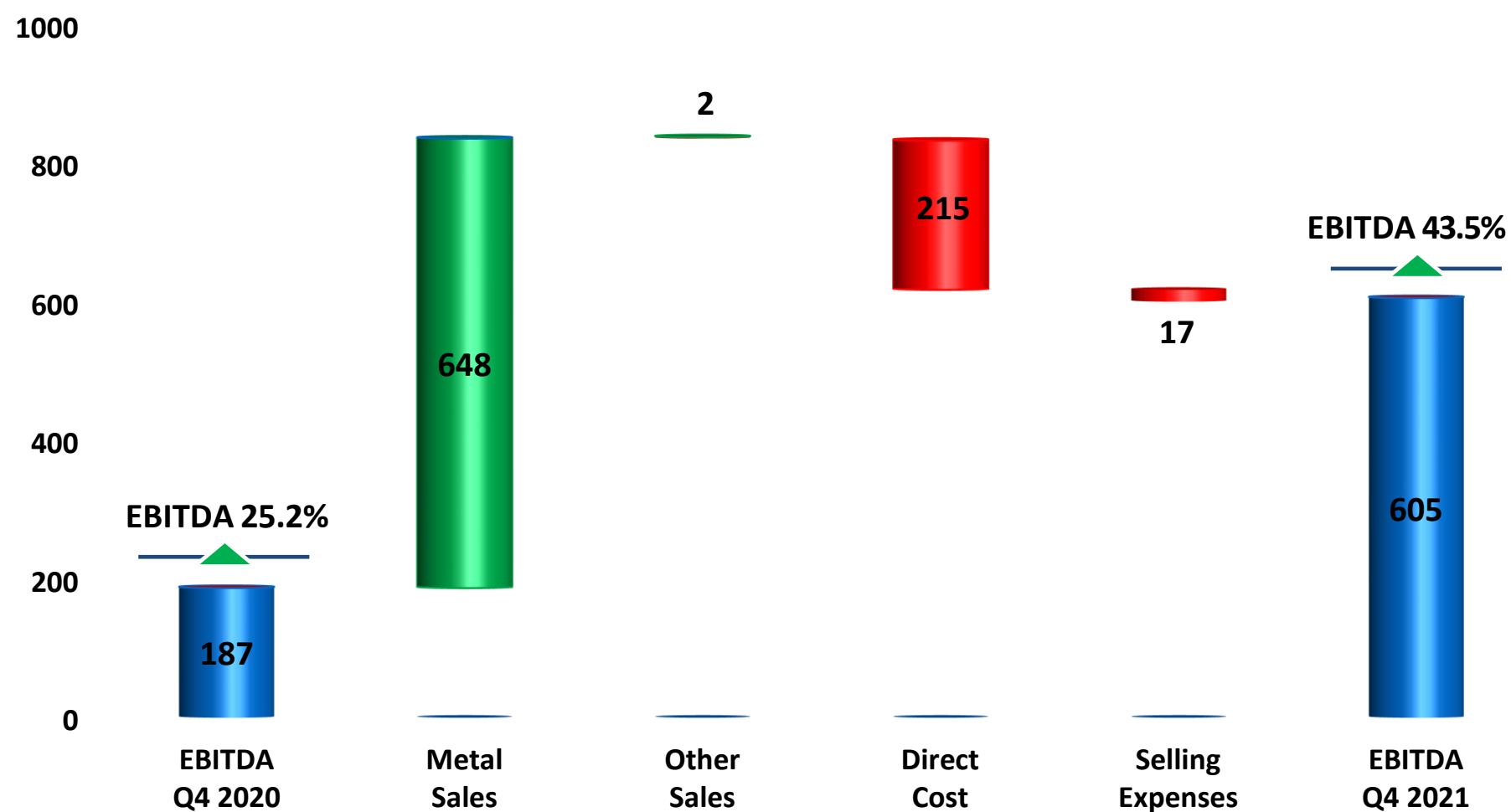
Direct Cost Bridge (US\$M) – Q4 2021 vs. Q4 2020



Strong Market Sentiment Fuels Rebound in LME Price

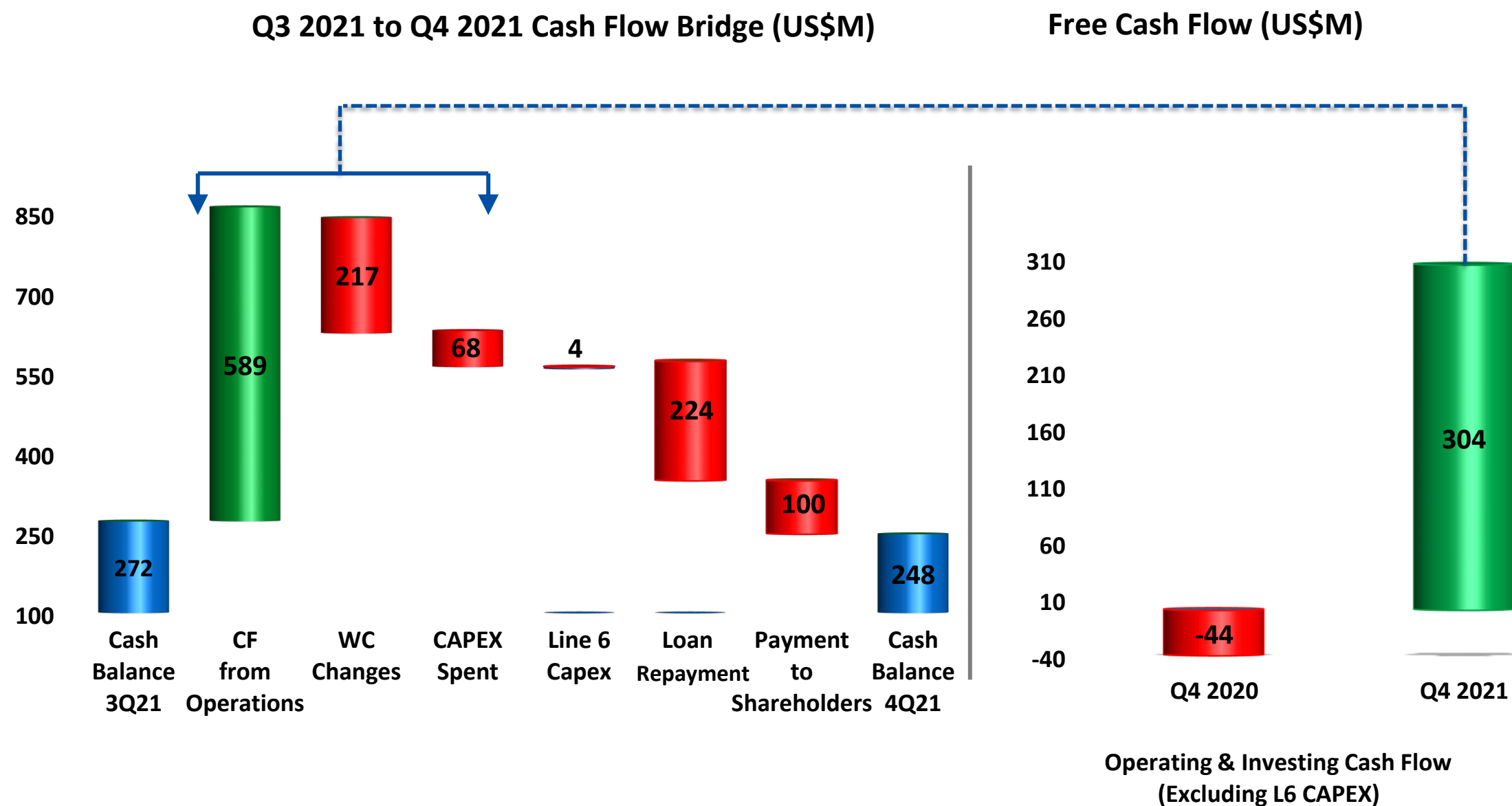
EBITDA Bridge Gap Analysis – Q4 2021 vs. Q4 2020
Breaking Record EBITDA Margin at 43.5%

EBITDA Bridge (US\$M) – Q4 2021 vs. Q4 2020



Strong Market Sentiment Fuels Rebound in LME Price

Cash Flow Bridge – Q3 2021 to Q4 2021



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, Fils 800 on 31 December 2021]



For more information, please contact us on:

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