



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 requested to read Alba's First Quarter 2023 Condensed Consolidated Interim Financial Information which are posted at 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 2023 are summarized below:

Alba Discloses its Financial Results for the First Quarter of 2023

Q1 2023 Financial Performance

Aluminium Bahrain B.S.C. (Alba) (Ticker Code: ALBH), the world's largest Aluminium smelter ex-China, has reported a **Profit of BD47.5 million (US\$126.2 million)** for the **first quarter of 2023, a drop by 68% Year-over-Year (YoY)**, versus a Profit of BD146.8 million (US\$390.4 million) for the same period in 2022. The Company reported **Basic and Diluted Earnings Per Share of fils 34 for Q1 2023** versus fils 104 for the same period in 2022.

The **Total Comprehensive Income** for **Q1 2023** stood at **BD45.4 million (US\$120.7 million)** versus BD156 million (US\$415 million) for the same period in 2022 – **a drop by 71% YoY**. **Gross Profit for Q1 2023** was **BD79.9 million (US\$212.4 million)** versus BD 178 million (US\$473.4 million) for the same period in 2022—**a drop by 55% YoY**.

With regards to the **Revenue from contracts with customers** in **Q1 2023**, Alba generated **BD370 million (US\$984 million)** versus BD455 million (US\$1,210 million) in Q1 2022 – **a drop by 19% YoY**.

Total Equity as of 31 March 2023 stood at **BD1,738.3 million (US\$4,623 million)**, **a drop by 5%**, versus BD1,822.5 million (US\$4,847 million), as of 31 December 2022. Alba's **Total Assets** as of 31 March 2023 were **BD2,680.9 million (US\$7,130 million)** versus BD2,617.2 million (US\$6,961 million) as of 31 December 2022 – **an increase by 2%**.

Alba's top-line and bottom-line were driven by lower LME prices (27% YoY) and premiums (27% YoY).



Industry Highlights

World Market Demand in a Tight Spot (-6% YoY)

- Mixed macroeconomic dynamics -- a bearish post-COVID recovery in China, limited restarts of capacity in Europe (owing to falling gas prices) and banking turmoil's impact on US economic activity -- continued to weigh on Aluminium market
- Economic activity in China has bounced back; however, it didn't yet translate into a recovery in Aluminium consumption (down by 3% YoY)
- Demand in the Middle East down by 6% YoY due to lower consumption in Bahrain (-9% YoY), UAE & KSA respectively (-6% YoY)
- Consumption in US & Europe losing momentum thanks to higher inflation and potential banking crisis (down by 7% YoY)

World Market Supply Flat Thanks to a Fresh Wave of Cuts (+1% YoY)

- Chinese production up by 3% YoY owing to supply cuts on the back of insufficient hydropower
- Middle East supply down by 1% YoY (+1% YoY in Bahrain and -7% YoY in KSA)
- Lacklustre mood in Europe with the closure of 25% of its operating smelting capacity - production down by 7% YoY owing to limited restart of capacity in smelters
- World market in surplus with China (+1 million MT) and w/o China (+0.05 million MT)

LME Price & Premiums

- Market uncertainty dragged LME prices lower - US\$2,399/t in Q1 2023 -- down by 27% YoY [lowest: US\$2,232/t on 17 & 22 March 2023 and highest: US\$2,636/t on 18 January 2023]
- LME inventories remain at low levels at ~0.5 million MT (down by 19% YoY)
- Premium prices moved to different beats: MJP dropped whereas US Midwest and DDP Rotterdam improved

Alba Environment, Social and Governance (ESG) Highlights

- Solar Farm Project Awarded to Advanced United Systems to install Solar Photovoltaic (PV) Panels over 37,000 m² with a capacity of more than 6 Megawatts (MW) [aim to reduce 189,794,000 Kg of CO₂ over 25-year span]
- Alba secures BBK's sustainable financing Loan (BD1.6 million) for its Solar Farm Project
- CEO unveiled the Company's 2023 Objectives during the Annual Majlis: 1) Safety is Our Operating License 2) Al Hassalah Top Up 3) Be Ready to Take off Safely and 4) Don't Limit Yourself



- Alba has commissioned the 'Food Waste Composter' in line with its objective to address SDG 12 -- Responsible Consumption and Production. This Composter has the capacity to treat around 125 Kg per day of food waste and produce nutrients-rich compost
- Alba's green and sustainable initiatives make impact -- 12,000 trees planted since 2021
- Recipient of the 2023 International Safety Award with Merit from the British Safety Council
- Alba re-launches its Code of Conduct and emphasises on its Core Values
- 8 million safe working hours without LTI achieved on 06 March 2023
- Block 4 Project: Procurement and Foundation Works for Main Equipment Completed

Alba Major Operational Highlights

- Sales' volume topped 359,677 metric tonnes (MT), up by 2% YoY while Production reached 398,252 MT, up by 2% YoY
- Value Added Sales averaged 64% of the total shipments, almost flat [VAP: 230,491 MT in Q1'23 versus 230,467 in Q1'22]
- Sustain AL HASSALAH achieved savings in 2023
- Commissioned the Forced Cooling Network (FCN) Project at Potlines 4 and 5, enabling the Company to increase its production capacity by c. 17,000 MT per annum
- Alba CEO "the only Arab in the List" named in National Safety Council (NSC's) 'CEOs Who Get It' list for 2023
- Alba held the 2nd edition of "I'm Special, I'm Creative" Exhibition which has seen the participation of more than 50 employees
- The People's Company: 7 national employees awarded by Alba for their inspirational efforts during 2022

Mixed Macroeconomic Outlook and Fragile Market Fundamentals

- Market uncertainty will continue to cloud the Aluminium market and LME prices
- Smelters' cuts in Europe are likely to keep the market in deficit in 2023. The Eurozone economy to be challenged by weak manufacturing activities and higher inflation
- Global premia to remain uncertain: supply constraints will support European premium while weak market sentiment will stifle premia in US
- LME Price to range between US\$2,200/t – US\$2,300/t

2023 Alba Priorities

- Continue our Safety journey by adhering to 'Safety is our Operating License'
- Further sustainable value across our value chain and in line with Bahrain's objectives for 'Net Zero Emissions' by 2060



- Increase the Net Finished Production by Forced Cooling Network (FCN) (above 1,600,111 MT) and sustain AL HASSALAH achieved savings with AL HASSALAH Top Up
- Screen potential Upstream Opportunities to secure 1/3 Alumina requirements
- Capitalise on Aluminium Stewardship Initiative (ASI) and Ecovadis Certifications to penetrate new markets and amplify VAP Sales
- Progress with PS5 Block 4 and Solar Farm to scale up our efficiency
- Accelerate Bechtel's Feasibility Study for Line 7 smelter

Commenting on Alba's financial performance for the first quarter ended 31 March 2023, the Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa stated:

"Despite lower LME prices and weak investor sentiment, we have managed to voyage the first quarter of 2023 by achieving an exceptional performance on the operational and financial fronts.

As we journey amidst the market challenges, we remain committed to execute our strategic priorities – progressing Line 7's Feasibility Study and accelerating Power Station 5 Block 4 construction – in line with our ESG roadmap."

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

"In this bearish economic backdrop, we remain focused on what we can really control: Safety, Efficient Operations and Lean Cost Structure while we collectively navigate with our team -- employees and contractors' personnel -- the waves to get better at what we do."

Alba Management will hold a conference call on Wednesday 10 May 2023 at 11:30 AM Bahrain Time to discuss the Company's financial and operational performance for Q1 2023 as well as outline the Company's priorities for 2023 as it charts its ESG journey.