



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 2024 Interim Condensed Consolidated Financial Statements 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 2024 are summarized below:

Alba Discloses its Financial Results for the First Quarter of 2024

Q1 2024 Financial Performance

Aluminium Bahrain B.S.C. (Alba) (Ticker Code: ALBH), one of the world's largest aluminium smelters, has reported a **Profit of BD24.5 million (US\$65 million)** for the **first quarter of 2024, a drop of 48% Year-over-Year (YoY)**, versus a Profit of BD47.5 million (US\$126.2 million) for the same period in 2023. The Company reported **Basic and Diluted Earnings Per Share of fils 17 for Q1 2024** versus fils 34 for the same period in 2023.

Total Comprehensive Income for Q1 2024 stood at **BD27.7 million (US\$73.6 million)** versus BD37.1 million (US\$98.7 million) for the same period in 2023 – **a drop of 25% YoY**. **Gross Profit for Q1 2024** was **BD57.3 million (US\$152.3 million)** versus BD 79.9 million (US\$212.4 million) for the same period in 2023 - **down by 28% YoY**.

With regards to the **Revenue from contracts with customers in Q1 2024**, Alba generated **BD334.6 million (US\$889.8 million)** versus BD369.9 million (US\$983.8 million) in Q1 2023 – **a drop of 10% YoY**.

Total Equity as of 31 March 2024 stood at **BD1,794.9 million (US\$4,773.6 million)**, **up by 0.3%**, versus BD1,789.2 million (US\$4,758.6 million), as of 31 December 2023. Alba's **Total Assets** as of 31 March 2024 were **BD2,575.5 million (US\$6,849.6 million)** versus BD2,553.6 million (US\$6,791.4 million) as of 31 December 2023 – **up by 0.9%**.

Alba's top-line and bottom-line were driven by lower LME prices (down by 8% YoY in Q1 2024) and lower premiums (down by 27% YoY in Q1 2024).

Industry Highlights [Based on Market Intelligence]

- **Global Economy Bounces Back, Market Demand (+5% YoY)**
 - The global economy is holding up better than expected, even with rising interest rates. Industrial production is poised for a comeback with key indicators pointing towards a positive outlook. While inflation is on a downward trend, progress is slower than anticipated due to persistent energy price risks and volatile shipping costs.
 - China leads demand growth fuelled by robust growth in renewables and electric vehicle (EV) sectors. Chinese aluminium consumption surged by 9% year-over-year (YoY).
 - Middle East region boasts a positive picture with demand climbing 7% YoY driven by higher consumption in the UAE (14% YoY) and KSA (8% YoY).
 - The eurozone presents a stark contrast. Its economy stagnated in Q4 2023 and continues to struggle in Q1 2024 – this was reflected in a 2% YoY drop in demand.
 - Sluggish consumption in the US persists due to inflationary pressures, down by 2% YoY.
- **Global Aluminium Supply (+3% YoY), Mixed Signals Amid Geopolitical Tensions**
 - China's production growth muted by hydropower shortage. Despite the restart of Yunnan smelters, Chinese aluminium supply climbed by 4% YoY.
 - Middle East witnessed a rise in supply, +4% YoY, bolstered by a 29% surge from Saudi Arabia.
 - European production edged up by 2% YoY, largely fuelled by increased output from Russian smelters.
 - North America experienced a modest 1% YoY rise, primarily due to a 5% YoY increase from Canadian smelters, partially offset by the closure of the New Madrid smelter in the US (-13% YoY).
 - The global market currently sits in surplus of 47kMT including China and deficit of 218kMT ex-China. This dynamic is further complicated by recent sanctions imposed by the US and UK on Russia. [These sanctions include an import ban on Russian aluminium and restrictions on activity at LME, where a significant portion of Russian aluminium is stored (with LME stocks of Russian origin reaching 91% of the total)].
- **LME Price & Premiums**
 - Market uncertainty surrounding inflation and policy support measures pushed LME prices down to US\$2,200/t in Q1 2024, representing a drop of 8% YoY. Prices fluctuated between US\$2,110/t (lowest on 22 Jan'2024) and US\$2,337/t (highest on 02 Jan'2024).
 - LME inventories remain at low levels at ~0.5 million MT (up by 5% YoY).
 - Premium prices diverge regionally: DDP Rotterdam premiums up while MJP & US Midwest dip. [The recent Baltimore bridge collapse is expected to elevate US Midwest premiums in the short term].

Alba Celebrates ESG Achievements and Plans Future Course

- **Safety First. Safety Always**
 - Launch of plant-wide 'SAFE and Healthy Ramadan' Campaign.
- **Empowering People**
 - Nine employees earned Professional Diploma in Waste Management from Arabian Gulf University (AGU).
 - 12 exceptional employees, including 6 women, were recognized with the 'Inspirational Employee of the Year' Award.
- **Leading the Way, Sustainable Aluminium Production**
 - Inked an Associate Centre Partnership Agreement under the Advanced Manufacturing Industries Cluster with the World Economic Forum (WEF), cementing Alba's position as a leader in sustainable and innovative manufacturing.

- Installing Solar Photovoltaic (PV) Power Generation System is underway across various locations within Alba.
- **2024 Objectives**
 - Safety Mirror: Continuous improvement in safety practices; Strategy Refresh: Strategy makeover; e-AI Hassalah: Embrace digital technologies to unlock further efficiencies; Upskilling & Reskilling: Empower human capital through targeted training programmes.
- **Building for Tomorrow**
 - Power Station 5 Block 4 Project is on track for completion in Q4 2024.

Alba's Operational Highlights

- Sales volume topped 363,283 MT, up by 1% YoY, while Production rose to 405,893 MT, reflecting a 2% YoY growth.
- Value Added Sales (VAP) averaged 70% of total shipments, corresponding to +10% YoY [VAP: 252,772 MT in Q1'24 versus 230,491 MT in Q1'23].
- Alba secured a strategic 10-Year Gas Supply Deal with Bapco Energies, featuring a fixed price structure for the initial five years at a competitive US\$4 per million British thermal units (MMBTU).
- Alba and EGA signed a comprehensive Technology Service Agreement for Reduction Line 6 which includes technical support services, monitoring services as well as operational consultation.
- Achieved savings for e-AI Hassalah at US\$29 million against 2024 Target of US\$60 million.
- **Aluminium Market Outlook: Uncertainties Cloud Short-Term Prospects [Based on Market Intelligence]**
 - **Macroeconomic Headwinds:** Concerns over persistent inflation and the effectiveness of government support measures continue to cast a shadow on the aluminium market. Strong dollar may limit LME price increases.
 - **Demand, A Delicate Balance:** Despite initial restocking activities, consumer confidence in near-term interest rate cuts is waning. This could lead to a renewed drop in demand, potentially offsetting the recent improvement. The automotive sector remains the primary driver, although overall demand is expected to remain modest in Q2 2024.
 - **Geopolitical Tensions and Freight Rate Fluctuations:** While disruptions persist in the Red Sea, freight rate stabilization has shifted the focus back to demand. Geopolitical tensions remain a significant unknown factor that could influence market dynamics.
 - **LME Price Forecast:** LME prices are expected to range between US\$2,250/t and US\$2,350/t in the near term.

Alba: Safe, Sustainable, Successful

- **Leading the Way: Safety First, Sustainability Always**
 - Aligned with Bahrain's objective of net-zero emissions by 2060, Alba embeds sustainability principles in all operations, minimizing environmental impact from raw material sourcing to product delivery.
- **Operational Excellence and Growth**
 - Exceed 2023 Net Finished Production of 1,620,665 MT and achieve e-AI Hassalah 2024 Target of US\$60 million (versus 2026 Target of US\$150 million).
 - Maintain active pursuit to source upstream resources to meet one-third of its alumina needs.
- **Capacity Expansion and Efficiency Enhancement**
 - Leverage its industry-leading certifications such as Aluminium Stewardship Initiative (ASI) and Ecovadis to penetrate new markets and drive growth in Value Added Sales (VAP).
 - Complete Block 4 Project by Q4 2024 and Solar Farm by Q2 2024.
 - Review Feasibility Study Class III for 'New Replacement Line' (previously Line 7).



Commenting on the Company's performance for the first quarter of 2024, the Chairman of Alba's Board of Directors, Khalid Al Rumaihi stated:

"Despite market headwinds and lower LME prices, our commitment to operational excellence yielded good results in Q1 2024. In fact, if commodity prices (LME and premium prices) had remained at Q1 2023 levels, we are confident we would have delivered an even stronger performance for this quarter.

Such performance positions us as a frontrunner to capitalize on the upswing in LME prices driven by global aluminium demand boom. Furthermore, our focus to strategic priorities equips us to navigate 2024 with agility, capitalizing on emerging opportunities."

Alba's Chief Executive Officer, Ali Al Baqali, added: "While the overall economic climate remains challenging, we are laser-focused on the controllable aspects of our business: Safety, streamlined operations, and a rigorously cost-effective structure. This focus, coupled with the dedication of our entire team, empowers us to thrive even in these challenging economic conditions."

Alba Management will hold a conference call on Wednesday 15 May 2024 at 2:15 PM Bahrain Time to discuss the Company's financial and operational performance for Q1 2024 and outline its strategic priorities moving forward.