



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 Condensed Consolidated Interim Financial Information as at 30 June 2022 (Reviewed) 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 Second Quarter and First Half 2022 are summarized below:

Alba Discloses its Financial Results for the Second Quarter and H1 of 2022

Q2 & H1 2022 Financial Performance

Aluminium Bahrain B.S.C. (Alba) (Ticker Code: ALBH), the world's largest aluminium smelter w/o China, has reported a Profit of **BD181.9 million (US\$483.9 million)** for the **second quarter of 2022, up by 97% Year-over-Year (YoY)**, versus a Profit of BD92.6 million (US\$246.2 million) for the same period in 2021. The Company reported **Basic and Diluted Earnings per Share of fils 128** for **Q2 2022** versus Basic and Diluted Earnings per Share of fils 65 in Q2 2021. **The Total Comprehensive Income for Q2 2022 stood at BD201.9 million (US\$536.9 million)** versus Total Comprehensive Income for the second quarter of 2021 of BD90.7 million (US\$241.1 million) – **up by 123% YoY**. **Gross Profit for Q2 2022 was BD208 million (US\$553.2 million)** versus BD123.7 million (US\$328.9 million) for the same period in 2021 – **up by 68% YoY**. With regards to the **Revenue in Q2 2022**, Alba generated **BD520.4 million (US\$1,384 million)** versus BD370 million (US\$984 million) in Q2 2021 - **up by 41% YoY**.

For the First Half of 2022, Alba has reported a **Profit of BD328.7 million (US\$874.3 million), up by 127% YoY** versus a Profit of BD144.8 million (US\$385.1 million) for the same period in 2021. The Company reported **Basic and Diluted Earnings per Share of fils 232** for H1 2022 versus Basic and Diluted Earnings per Share of fils 102 for the same period in 2021. Alba's Total Comprehensive Income for H1 2022 was **BD357.9 million (US\$951.8 million), up by 140% YoY**, compared to a Total Comprehensive Income of BD149.1 million (US\$396.5 million) in H1 2021. **Gross Profit for the First Half of 2022 was BD386 million (US\$1,026.7 million)** versus BD204.2 million (US\$543.0 million) in H1 2021 – **up by 89% YoY**. Alba generated in H1 2022 **Revenue of BD975.3 million (US\$2,593.9 million)** versus BD672.7 million (US\$1,789 million) in H1 2021 - **up by 45% YoY**.



Total Equity as at **30 June 2022** stood at **BD1,770.6 million (US\$4,709.1 million)**, up by **18%**, versus BD1,503 million (US\$3,997.4 million) as at 31 December 2021. Alba's **Total Assets** as of **30 June 2022** were **BD2,717.3 million (US\$7,226.9 million)** versus BD2,624.6 million (US\$6,980.3 million) as at 31 December 2021 - **up by 3.5%**.

Alba's top-line were driven by higher LME prices (up by 20% YoY in Q2 2022 and up by 37% YoY in H1 2022) despite flat growth in Sales' volume while the bottom-line for Q2 and H1 2022 was driven by higher top-line and partially impacted by higher Cost and Distribution Expenses.

In addition, Alba's Board of Directors recommended to distribute an interim dividend of **BD45,120,000 (US\$120 million)**, equivalent to Fils 31.88 per share (US\$0.08478 per share), to the shareholders whose names are registered on the Company's register on the Record Date.

Industry Highlights

Economic Uncertainty Takes its Toll on Global Aluminium Industry (-2% YoY)

- Weak economic activity, higher inflation and rising interest rates are hitting all manufacturing industries, and this has affected consumer demand negatively as buyers are forced to cut back on non-essential items
- US: Aluminium demand continues to be resilient (+7% YoY) supported by a surge in the construction and transport sectors
- Middle East: Demand up by 3% YoY supported by higher consumption in UAE (+5% YoY) & Bahrain (+4% YoY)
- China: Demand was impacted by strict pandemic lockdowns and logistic issues (-6% YoY). Numerous sectors such as construction, packaging and consumer durables have suffered the most
- Europe: The increase in cost-of-living has weighed down on consumer spending as the risk of recession increases (- 4% YoY)

World Market Supply up by 3% YoY

- Macroeconomic factors continue to pressure markets, resulting in unclear direction and price trends in commodities
- China: A net exporter as its output reached record levels (up by 4% YoY) since April, but demand has not followed the same path due to impact of lockdowns
- Europe leads World ex-China output with its production down by 5% YoY as a result of soaring energy prices
- Middle East: Supply jumped by 5% YoY led by higher production in UAE (+11% YoY)



- World Market: In surplus with China (+40Kt) and without China (+64Kt)

LME Price & Inventories

- LME-Cash averaged US\$2,882/t in Q2 2022 -- up by 20% YoY [lowest: US\$2,397/t on 30 Jun'22 and highest: US\$3,483/t on 1 Apr'22]
- LME inventories hit record low at c.0.4 million (down by 76% YoY)

Alba Environment, Social and Governance (ESG) Highlights (H1 2022)

- Alba lands the Royal Society for the Prevention of Accidents (RoSPA) Gold Medal Award for the ninth consecutive year
- Alba became the First Company in Bahrain to Refinance its Existing Syndicated Loan of c.US\$1.247 Billion tied to Sustainability Linked Targets
- Alba recognized as the top Company in Bahrain on the Environmental, Social and Governance (ESG) ratings list by ESG Invest - the investment research arm of 'Sustainability Excellence'
- Alba hosts a delegation of Bahrain Association of Banks to further its ESG goals on 12 June 2022
- Alba launched its plant wide ESG Campaign 'A Journey, Not A Destination' on 20 June 2022
- 29 million safe working hours without LTI achieved on 09 August 2022

Alba Major Operational Highlights (H1 2022)

- Sales' volume topped 742,658 metric tonnes (MT) (almost flat) while Production reached 787,592 MT, up by 1.7% YoY
- Value Added Sales averaged 67% of the total shipments versus 64% (+70% VAP Sales in Q2 2022)
- Alba opened its Sales' Office in Singapore to strengthen its footprint in the Asian continent
- Alba signed Agreement with Mitsubishi Power & SEPCOIII as EPC contractor for Block 4 in Power Station 5
- Alba secured a 10-year Offtake Agreement with South32 for the supply of Alumina
- Al Hassalah achieved savings of US\$90.35 million (including US\$10 million one-off savings from working capital)

2022 Alba Priorities

- Deliver on newly-launched ESG roadmap in line with Bahrain's Objectives for 'Net Zero Emissions' by 2060
- Embed ESG in operations and processes as well as deliberate with various stakeholders and partners potential ESG initiatives to further sustainable value across our value-chain



- Exceed 2022 Production Target of 1,560,000 MT and deliver on AL HASSALAH savings' target of US\$100 Million by 2022-end
- Continue to screen potential Upstream Opportunities to secure 1/3 Alumina requirements
- Capitalise on Aluminium Stewardship Initiative and Ecovadis Certifications to penetrate new markets & increase VAP beyond 70% of Sales
- Complete the financial closure of PS5 Block 4 and award the Solar Farm Project by Q4 2022
- Progress with the pre-feasibility study for Line 7 smelter

Commenting on Alba's financial performance for the Q2 and H1 of 2022, the Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa stated:

"We have had an unmatched financial performance as we set new benchmarks in the last 3 quarters (Q4 2021, Q1 and Q2 2022) and on many fronts:

- Profit of BD328.7 million (US\$874.3 million) in H1 2022 - up by 127% YoY
- Value Added Sales top 70% in Q2 2022 – a first time in our history (67% in H1 2022)
- Safety: a new leap was achieved with more than 29 million safe working hours without LTI

This strong performance has enabled us to distribute an interim dividend of US\$120 million to our shareholders. As we progress into the rest of 2022, we remain committed to build sustainable returns while also delivering further value to our shareholders."

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

"Our exhibit profitability was backed by improved product mix towards Value Added Products' Sales and sound cost savings. Despite the logistics' challenges in the market, we have been able to deliver another strong quarter by capitalising on higher LME price and that has allowed us to service our loans and reduce our overall debt profile.

We are only as good as our employees; it is thanks to our collective proactiveness in Safety, we have reached a record landmark with topping more than 29 million safe working hours without LTI."

Alba Management will hold a conference call on Monday 15 August 2022 at 2 PM Bahrain Time to discuss its Operational, ESG and Financial performance for Q2 & H1 2022 as well as outline the Company's priorities for 2022.