



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 Interim Condensed Consolidated Financial Statements as at 30 June 2023 (Reviewed) which are posted at [www.albasmelter.com](http://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 2023 are summarized below:

## ***Alba Discloses its Financial Results for the Second Quarter and H1 of 2023***

"We have maintained our position amidst mixed macroeconomic backdrop and delivered a strong performance in the second quarter over many operational metrics:

- Our production reached 405,628 metric tonnes (MT), an increase of 9,085 (MT) versus Q2 2022
- Our Sales' volume topped 392,258 MT, up by 3,816 MT versus Q2 2022
- Value Added Products touched 70% of Total Sales (70% in Q2 2022) underlining a solid demand for these Products

This performance would have allowed us to beat Q2 2022 financial performance if LME prices and premia were to remain the same (LME prices and premia combined have dropped by 11% Year-over-Year).

Our financial resilience has allowed us to return capital to our shareholders with Fils 13.28 per share as interim cash dividend amounting to BD18,801,617.

As we look forward, we remain optimistic to stay on course as we progress with Line 7's Feasibility Study", as stated by the Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa, on Alba's results for the second quarter of 2023.

### **Q2 & H1 2023 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 **BD29.9 million (US\$79.5 million)** for the **second quarter of 2023, down by 83.6% Year-over-Year (YoY)**, versus a Profit of BD181.9 million (US\$483.9 million) for the same period in 2022. The

**Disclaimer:** The information contained in this press release is for media dissemination only.



Company reported **Basic and Diluted Earnings per Share of fils 21** for **Q2 2023** versus Basic and Diluted Earnings per Share of fils 128 in Q2 2022. **The Total Comprehensive Income for Q2 2023** stood at **BD34.4 million (US\$91.5 million)** versus Total Comprehensive Income for the second quarter of 2022 of BD201.9 million (US\$536.9 million) – **down by 83% YoY**. **Gross Profit for Q2 2023** was **67.9 million (US\$180.6 million)** versus BD208 million (US\$553.2 million) for the same period in 2022 – **down by 67% YoY**. With regards to the **Revenue from contracts with customers** in **Q2 2023**, Alba generated **BD387 million (US\$1,029.3 million)** versus BD520.4 million (US\$1,384 million) in Q2 2022 - **down by 25.6% YoY**.

For the First Half of 2023, Alba has reported a **Profit of BD77.4 million (US\$205.7 million)**, **down by 76.5% YoY** versus a Profit of BD328.7 million (US\$874.3 million) for the same period in 2022. The Company reported **Basic and Diluted Earnings per Share of fils 55** for H1 2023 versus Basic and Diluted Earnings per Share of fils 232 for the same period in 2022. Alba's **Total Comprehensive Income** for H1 2023 was **BD79.8 million (US\$212.2 million)**, **down by 78% YoY**, compared to a Total Comprehensive Income of BD357.9 million (US\$951.8 million) in H1 2022. **Gross Profit** for the First Half of 2023 was **BD147.8 million (US\$393 million)** versus BD386 million (US\$1,026.7 million) in H1 2022 – **down by 62% YoY**. Alba generated in H1 2023 **Revenue from contracts with customers** of **BD757 million (US\$2,013.2 million)** versus BD975.3 million (US\$2,593.9 million) in H1 2022 - **down by 22.4% YoY**.

**Total Equity** as at **30 June 2023** stood at **BD1,771.2 million (US\$4,710.6 million)**, **down by 3%**, versus BD1,822.5 million (US\$4,847 million) as at 31 December 2022. Alba's **Total Assets** as of **30 June 2023** were **BD2,669.2 million (US\$7,099 million)** versus BD2,617.2 million (US\$6,961 million) as at 31 December 2022 - **up by 2%**.

Alba's Board of Directors have proposed to pay an interim cash dividend of **Fils 13.28 per share** (excluding the treasury shares) amounting to **BD18,801,617** to Alba's shareholders as of the Record date as follows:

<b>Event</b>	<b>Date</b>
Board Meeting Date	09 August 2023
Cum-Dividend Date <b>(Last day of trading with entitlement to dividends)</b>	15 August 2023
Ex-Dividend Date <b>(First day of trading without entitlement to dividends)</b>	16 August 2023
Record Date <b>(The Day on which all shareholders whose names are on the share register will be entitled to dividends)</b>	17 August 2023
Payment Date <b>(The Day on which the dividends will be paid to the entitled shareholders subject to CBB approvals)</b>	31 August 2023

## Industry Highlights

### Weak Demand due to Economic Uncertainty (+2% YoY)

- Q2 2023 has seen a continuation of economic uncertainty amidst bearish manufacturing activity and ongoing interest rate hikes by US Federal Reserve and European Central Bank (recent increase of 25 basis points)
- As Chinese Government has stepped up monetary easing measures, consumption has started to improve (+6% YoY)
- Middle East demand almost flat (+1% YoY)
- Eurozone has been in a recession on the back of high inflation and sluggish consumer spending while US consumption is weak owing to slow manufacturing activity: demand dropped by 8% YoY and 7% YoY respectively

### World Market Supply Almost Flat (+1% YoY)

- Despite recent smelter cuts in Yunnan province, China increased its production (+1% YoY)
- Europe is leading the world ex-China with its output cuts (-5% YoY) owing to high energy prices [curtailed capacity restarts are challenged in the world ex-China as energy prices remain expensive and no significant new projects are ramping up in 2023]
- Middle East supply down by 1% YoY
- Russian metal is flowing to China while its exports to EU and US have dropped by 30% YoY and 91% YoY respectively
- As production is growing at a slower pace than consumption, the world market is in deficit with China (-0.35 million MT) while in surplus w/o China (+0.07 million MT)

### LME Price & Premiums

- LME Price remained under pressure as bearish market sentiment dominated the trading activity. LME-Cash averaged US\$2,263/t in Q2 2023 -- down by 21% YoY
- LME inventories at low levels at ~0.5 million MT (up by 45% YoY) with growing inventories of Russian metal in LME-registered warehouses causing concern
- Premium prices on the swing: US Midwest dropped whereas MJP and DDP Rotterdam improved



## Alba Environment, Social and Governance (ESG) Highlights

- Alba Accelerates its Transformation to Industry 4.0 with the completion of online performance monitoring system for its Power Stations
- Alba commissioned three solar charging stations that will cater to Electric Vehicles (EVs) and Solar-Electric powered industrial Personnel Carriers (PCs)
- Alba receives ASI Chain of Custody (CoC) Standard Certification for Responsible Production
- Alba receives 2023 International Safety Award with Merit from the British Safety Council
- Alba wins RoSPA's President Award following 10 consecutive Gold Awards for the Safety and Health Excellence
- Alba - First Industrial Company in the Region and Bahrain to achieve ISO 18788:2015 Certification
- 4 million safe working hours without LTI achieved on 12 July 2023

## Alba Major Operational Highlights (Q2 2023)

- Sales' volume topped 392,258 metric tonnes (MT), up by 1% YoY while Production reached 405,628 MT, up by 2% YoY
- Value Added Sales averaged 70% of the total shipments [VAP: 272,944 MT in Q2'23 versus 270,301 MT in Q2'22]
- Alba's Line 6 New Nameplate Capacity Jumps to 560,000 MT by increasing the current from 460 kA to 478 kA
- Alba Holds Reverse Insurance Roadshow with Major Insurance and Reinsurance Markets
- Alba wins the 'Metals & Mining Deal of the Year' by Bonds, Loans & Sukuk Middle East Awards 2023
- Completed Independent Limited Assurance on the computation of selected sustainability performance indicators related to Green Refinancing for Syndicated Loan Facility
- Completed Assets' Valuation for Insurance purposes
- AL HASSALAH Top up: sustain achieved savings in 2022 (US\$115.34M) in this year

## Mixed Macroeconomic Outlook: Uncertain & Inflationary Market Sentiments

- Market uncertainty will continue to cloud the Aluminium market and LME prices [no sign of demand recovery in Asia, Europe and US in the short-run]
- Carbon Border Adjustment Mechanism (CBAM) regulation would apply to aluminium products starting with a transitional reporting-only period effective October 2023. European producers would become liable for their emissions while importers accountable for CBAM



- With Aluminium producers being price takers, it is expected that they would pay for carbon emissions in the future
- Global premia to remain uncertain
- Bearish market sentiment will continue to weigh on Aluminium market and LME prices will range between US\$2,100/t – US\$2,200/t for the remainder of the year

### 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 Net Finished Production by Forced Cooling Network (> 1,600,111 MT) and sustain AL HASSALAH achieved savings with AL HASSALAH Top Up
- Continue to 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
- Publish 7<sup>th</sup> edition of Alba’s Sustainability Report 2022 in Q4 2023

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

“Through our ongoing cost discipline and operational improvements, we have performed well despite the bearish market sentiment and delivered a good performance when compared to our peers.

In a changing macroeconomic landscape, we remain focused to deliver on what we really have control on: Safety, Productivity and Cost.”

Alba Management will hold a conference call on Monday 14 August 2023 at 2:30 PM Bahrain Time to discuss the Company’s financial and operational performance for Q2 and H1 2023 as well as outline the Company’s priorities for 2023.