



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 invited to read Alba's Interim Condensed Consolidated Financial Statements as at 30 June 2024 (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](http://Bahrain Bourse website).

Alba's Financial Results for the Second Quarter and First Half 2024 are summarized below:

## ***Alba Discloses its Financial Results for the Second Quarter and H1 of 2024***

### **Q2 & H1 2024 Financial Performance**

Manama, Bahrain – [13 August 2024]: Aluminium Bahrain B.S.C. (Alba) (Ticker Code: ALBH), one of the world's largest aluminium smelters, has reported a **Profit of BD68.5 million (US\$182.2 million)** for the **second quarter of 2024, up by 129.2% Year-over-Year (YoY)**, versus a Profit of BD29.9 million (US\$79.5 million) for the same period in 2023. The Company reported **Basic and Diluted Earnings per Share of fils 48 for Q2 2024** versus Basic and Diluted Earnings per Share of fils 21 in Q2 2023. **The Total Comprehensive Income for Q2 2024** stood at **BD66.7 million (US\$177.4 million)** versus Total Comprehensive Income for the second quarter of 2023 of BD32.6 million (US\$86.8 million) – **up by 104.5% YoY**. **Gross Profit for Q2 2024 was BD102 million (US\$271.2 million)** versus BD67.9 million (US\$180.6 million) for the same period in 2023 – **up by 50.1% YoY**. With regards to the **Revenue from contracts with customers in Q2 2024**, Alba generated **BD407 million (US\$1,082.3 million)** versus BD387 million (US\$1,029.4 million) in Q2 2023 - **up by 5.2% YoY**.

For the First Half of 2024, Alba has reported a **Profit of BD93 million (US\$247.3 million), up by 20.2% YoY** versus a Profit of BD77.4 million (US\$205.7 million) for the same period in 2023. The Company reported **Basic and Diluted Earnings per Share of fils 66** for H1 2024 versus Basic and Diluted Earnings per Share of fils 55 for the same period in 2023. Alba's **Total Comprehensive Income** for H1 2024 was **BD94.4 million (US\$251 million), up by 35.4% YoY**, compared to a Total Comprehensive Income of BD69.7 million (US\$185.4 million) in H1 2023. **Gross Profit** for the First Half of 2024 was **BD159.2 million (US\$423.5 million)** versus BD147.8 million (US\$393 million) in H1 2023 – **up by 7.7% YoY**. Alba generated in H1 2024 **Revenue from contracts with customers** of **BD741.5 million (US\$1,972.1 million)** versus BD757 million (US\$2,013.2 million) in H1 2023 – **a drop by 2% YoY**.

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**Total Equity** as of **30 June 2024** stood at **BD1,861.2 million (US\$4,950.1 million)**, up by 4%, versus BD1,789.2 million (US\$4,758.6 million) as of 31 December 2023. Alba's **Total Assets** as of **30 June 2024** were **BD2,631.1 million (US\$6,997.5 million)** versus BD2,553.6 million (US\$6,791.4 million) as of 31 December 2023 - up by 3%.

Alba's top-line and bottom-line were driven by LME prices which increased 11% YoY in Q2 2024 and 1% in H1 2024. However, lower premiums, down 21% in Q2 and 32% in H1 compared to the previous year, partially offset these gains.

The Board of Directors of Aluminium Bahrain B.S.C. (Alba) resolved during the virtual Board meeting on Tuesday 13 August 2024, to recommend the distribution of Interim Dividend as at 30 June 2024 to the shareholders whose names are registered on the Company's register on the Record Date. The cash interim dividend is 18.59% of the share nominal value, equivalent to Fils 18.59 per share amounting to BD26,320,150 (US\$70 million).

#### Industry Highlights [Based on Market Intelligence]

##### ■ Slow Demand Recovery Amidst Macroeconomic Challenges (+2% YoY)

- The global economy continues to face several challenges including persistent inflation, geopolitical tensions and supply chain disruptions. These factors have collectively contributed to a passive demand environment.
- **China:** Despite government stimulus efforts, Chinese consumption growth has moderated to 3% year-over-year (YoY), indicating a lack of robust domestic demand momentum.
- **Middle East:** Supported by increased consumption in UAE, the Middle East region has registered a modest 2% YoY demand uptick.
- **Eurozone:** Economic uncertainty persists and is marked by an uneven pace of recovery. Demand down by 4%YoY.
- **US:** US services sector continues to outperform manufacturing underpinned by healthy consumer spending. However, weak building and construction activity has weighed on aluminium demand resulting in a 1% decline in primary demand.

##### ■ Global Aluminium Production rises 3%

- Despite overall weak demand, global primary production rose due to higher output in China, Europe, and the Middle East.
- Chinese supply climbed 4%YoY as Yunnan smelters operated at full capacity except for Yunnan Hongtai smelter as heavy June rains boosted hydropower in this province.
- European supply edged up by only 1% YoY due to economic uncertainty.
- Middle East supply up by 1% YoY.
- North American supply down by 2% YoY mainly due to a 15% YoY drop in US production.
- As Chinese production is growing at a slower pace than consumption (China continues to hold to its 45 million tonnes target annually), the world market is in deficit with China (-0.40 million MT) and w/o China (-0.13 million MT).

##### ■ LME Price

- LME price averaged US\$2,519/t in Q2 2024, up by 11% YoY. LME inventories jumped 88% YoY reaching about 1 million tonnes, fuelled by growing stockpiles of Russian metal in LME warehouses.

## Alba's Operational Highlights

- Sales' volume topped 397,538 metric tonnes (MT), up by 1% YoY while Production dipped slightly by 0.5% YoY to reach 403,747 MT.
- Value Added Sales accounted for 73% of the total sales' shipments [VAP: 288,312 MT in Q2'24 versus 272,944 MT in Q2'23].
- Achieved savings for the e-AI Hassalah (the Company's improvement programme) at US\$35 million against 2024 Target of US\$60 million.
- Alba signs an agreement with SAP, a market leader in enterprise application software, to upgrade its enterprise resource planning solution (ERP) to SAP's latest software – S/4HANA Cloud.
- Alba CEO takes helm of International Aluminium Institute as its Chairman.

## Aluminium Market Outlook: Uncertainties Cloud Short-Term Prospects [Based on Market Intelligence]

- **Market Uncertainty Persists:** Market sentiment remains cautious due to a complex interplay of factors affecting LME prices.
- **Supply-Demand Dynamics:** Increased global production, particularly from China, combined with passive demand, is exerting downward pressure on LME prices.
- **Economic Recovery Hope:** Anticipated US interest rate cuts may stimulate construction activity; hence, supporting aluminium demand.
- **Tight Supply Conditions:** Limited new smelting projects and China's production cap will maintain constrained supply conditions in the near term.
- **Premium Outlook:** Premiums are expected to stabilise in the short term before resuming an upward path, driven by strengthening demand from 2025 and the implementation of the Carbon Border Adjustment Mechanism (CBAM).
- **LME Price Forecast:** Aluminium prices are anticipated to trade within a narrow range of US\$2,200 to US\$2,400 per tonne in the near term.

## Alba Priorities: 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).
- **Capacity Expansion and Efficiency Enhancement**
  - Leverage its industry-leading certifications such as Aluminium Stewardship Initiative (ASI), EcoVadis and Low-Carbon Aluminium EternAl™ to penetrate new markets and drive growth in Value Added Sales (VAP).
  - Complete Block 4 Project and Solar Farm (+6 MW) by Q4 2024.
  - Review Feasibility Study Class III for 'New Replacement Line'.



Commenting on the Company's performance for the second quarter of 2024, the Chairman of Alba's Board of Directors, Khalid Al Rumaihi stated: "Building on our Q1 performance and despite navigating a challenging market landscape marked by depressed premiums, we are pleased to report another quarter of solid results thanks to our dedication to operational excellence. This performance has enabled us to return value to shareholders through an interim cash dividend of US\$70 million.

We are confident that if premiums had held steady at Q2 2023 levels, our performance would have been even more robust. We remain optimistic about our prospects for the remainder of 2024."

Alba's Chief Executive Officer, Ali Al Baqali, added: "The aluminium industry continues to face economic headwinds. However, focusing on the aspects within our control has enabled us to navigate these challenges while positioning ourselves for sustained growth when market conditions improve.

Our recent achievement of 22 million safe working hours without a Lost Time Injury is a testament to our team's dedication to Safety, a core value at Alba. This Safety milestone is directly linked to our overall operational performance and contributes significantly to our success."

Alba Management will hold a conference call on Wednesday 14 August 2024 at 2:00 PM Bahrain Time to discuss the Company's financial and operational performance for Q2 2024 and outline its strategic priorities moving forward.