



Media Release – Thursday 02 February 2023

MANAMA (ALBH)

FOR IMMEDIATE RELEASE
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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 Full-Year 2022 Audited Consolidated Financial Statements which are posted at www.albasmelter.com.

Alba's official press release and full set of Financial Information are also available on Bahrain Bourse website.

Alba's Financial Results for the Fourth Quarter and Full Year of 2022 are summarized below:

- ***Alba Reports its Financial Results for the Fourth Quarter and 12 Months of 2022***
- ***2022: Another Record Performance for 2nd Year in a Row***

Q4 2022 and Full-Year 2022 Financial Performance

Aluminium Bahrain B.S.C. (Alba) (Ticker Code: ALBH), one of the world's largest aluminium smelters, has reported a **Profit of BD39.4 million (US\$104.9 million)** for the **fourth quarter of 2022, down by 78% Year-over-Year (YoY)** versus a Profit of BD181.2 million (US\$481.8 million) for the same period in 2021. The Company reported **Basic and Diluted Earnings per Share of Fils 28** for **Q4 2022** versus Basic and Diluted Earnings per Share of Fils 128 for the same period in 2021. **The Total Comprehensive Income for Q4 2022 stood at BD36.6 million (US\$97.3 million)** versus a Total Comprehensive Income for Q4 of 2021 of BD183 million (US\$486.8 million) – **down by 80% YoY**. **Gross Profit for the fourth quarter of 2022 was BD80.6 million (US\$214.3 million)** versus Gross Profit of BD215.5 million (US\$573.2 million) in Q4 2021 – **a drop of 63% YoY**. Alba achieved **Revenue of BD462.4 million (US\$1,229.8 million) in Q4 2022** versus BD523.3 million (US\$1,391.7 million) for the same period in 2021 – **a drop of 12% YoY**.

For the Full-Year of 2022, Alba has reported a **Profit of BD416.2 million (US\$1,106.8 million), down by 8% YoY**, versus a Profit of BD451.9 million (US\$1,201.8 million) for 2021. Alba reported **Basic and Diluted Earnings per Share of fils 294** versus Basic and Diluted Earnings per Share of fils 319 in 2021. Alba's **Total Comprehensive Income for the Full-Year of 2022 was BD452.7 million (US\$1,204 million), a drop of 1%**

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YoY, compared to a Total Comprehensive Income of BD458.5 million (US\$1,219.5 million) for 2021. For the Full-Year of 2022, the **Gross Profit** was **BD545.6 million (US\$1,451.1 million)** versus Gross Profit of BD577 million (US\$1,534.7 million) in 2021 – **a drop of 5% YoY**. The **Revenue** for 2022 stood at **BD1,840.9 million (US\$4,896.1 million)**, **up by 16% YoY**, compared to BD1,584.8 million (US\$4,215 million) for 2021.

Total Equity as of 31 December 2022 stood at **BD1,822.5 million (US\$4,847 million)**, **up by 21% YoY**, versus BD1,503 million (US\$3,997.4 million) as of 31 December 2021. Alba's **Total Assets** as of 31 December 2022 were **BD2,617.2 million (US\$6,961 million)** versus BD2,624.6 million (US\$6,980.3 million) as of 31 December 2021 – **a drop of 0.3%**.

Alba's Board of Directors have proposed to pay a final dividend of **Fils 85.7 per share** (excluding the treasury shares) amounting to **BD121,306,000** subject to the approvals of the Company's shareholders at the Annual General Meeting which will be held on 26 February 2023.

Industry Highlights in 2022

Macroeconomic Uncertainty & Turmoil Hit Aluminium Industry (+1% YoY)

2022 has been a volatile year: impact of Russia-Ukraine War, ongoing COVID-19 concerns in China, higher energy costs in Europe, rising interest rates, fears of recession and continuous supply-chain disruptions have taken their toll on the Aluminium market

- Demand in Middle East up by 4% YoY fuelled by higher consumption in UAE (+7% YoY), Bahrain (+1% YoY) & KSA (+1% YoY)
- Consumption in North America is relatively good (+2% YoY) supported by infrastructure spending as well as surge in the auto and packaging sectors
- Shy growth in Chinese consumption (+1% YoY) owing to COVID-19 lockdowns and logistic challenges
- Lower power availability, higher energy costs and inflation continue to weigh on European demand (-3% YoY)

World Market Supply +2% YoY

- Production in China rose by 4% YoY following 2021 supply cuts and delayed ramp ups
- Middle East supply: a modest increase of 3% YoY supported by UAE (+6% YoY) & Bahrain (+2% YoY)
- European smelting industry hit hard by escalating gas/power prices and that have led to curtailment in supply (-8% YoY)

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- North America production compressed due to economic slowdown (-3% YoY)
- World market deficit widens by 2022-end with China (420Kt) and w/o China (480Kt)

LME Prices and Premiums

- LME-Cash averaged US\$2,707/t in 2022 -- up by 9% YoY
- LME inventories remain low at 447Kt by end-2022 (-52% YoY) and are at their lowest level in 22 years while Chinese stocks are at 6-year low

Alba Major ESG Highlights

- Alba emphasised on collective cooperation between GCC Smelters for Sustainable Aluminium Production at the Gulf Aluminium Dinner (GAD) 2022
- Recipient of 'Volunteer Service Award' by INJAZ Bahrain for the 2nd year in a row
- As part of its Decarbonisation initiative, Alba supports the second phase of Bahrain's national campaign for afforestation 'Forever Green'
- Alba Wins prestigious of Gulf Aluminium Council (GAC) Health and Safety Award 2022
- Alba was awarded Two Major Environmental Awards from the Green Organisation
- Alba launches its mini plant-wide Safety & ESG Campaign 'Back to Core Basics'
- 4 million safe working hours without LTI achieved on 2 January 2023
- Released sixth edition of Sustainability Report (w/ Quality Assurance) in January 2023
- SPL Treatment Plant exceeds its target production by 3% [31,000 tonnes vs. a target of 30,000 tonnes]
- Alba promotes 679 employees in 2022, the highest-ever recorded in Alba's history

Alba Major Operational Highlights

- All-time Production of 1,600,111 MT, up by 2.5% YoY
- Sales' volume rose to 1,568,134 MT despite market challenges (+1.1% YoY)
- Value Added Sales averaged 66% of the total shipments vs. 63% in 2021. VAP Sales' volume exceeds 1,042,000 MT (+7% YoY)
- Alba exceeded AL HASSALAH savings' target of US\$110 Million by 2022-end (inclusive of US\$10 million one-off savings) and achieved US\$115.34 million
- Alba successfully reaches the financial close for its Power Station 5 Block 4 Project [US\$225 million China Export and Credit Insurance Corporation ("SINOSURE") supported-facility with a 15-year tenor including a 3-year grace period]
- Appointed International Bechtel Co. Ltd Bechtel to conduct Line 7 Project's Feasibility Study
- Recipient of two major Investor Relations Awards by Middle East Investor Relations Association

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- Mitsubishi Power awarded Long-Term Service Agreement (LTSA) to enhance the reliability, efficiency, and availability of power supply
- To accelerate its Digital Transformation objectives, Alba awarded certificates to 65 employees from 24 different departments – following their successful completion of several Industry 4.0 training courses

Mixed Macroeconomic Outlook: Uncertain & Inflationary Market Sentiments

- Global demand consumption will be shaped by the aftershocks arising from higher inflation and interest rates, supply-chain disruptions coupled with governments' ability to continue providing stimulus. This uncertain macroeconomic outlook will cloud the Aluminium market
- Power shortages and surging energy costs in Europe and US are likely to increase output cuts while Chinese smelters' output will rise at a slow pace
- Global supply-chain pressures are set to ease and freight rates will continue to drop
- Regional premia under pressure owing to concerns over metal demand
- Weak market sentiment and a firm US\$ to weigh on LME Price. Prices will range between US\$2,200/t – US\$2,400/t

2023 Alba Priorities

- Continue our Safety journey by adhering to 'Safety is our Operating License'
- Embed ESG in our operations and processes as well as deliberate with various stakeholders potential ESG initiatives to further sustainable value across our value chain and in line with Bahrain's objectives for 'Net Zero Emissions' by 2060
- Exceed 2022 Net Finished Production of 1,600,111 MT in 2023 and continue 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

Commenting on the Company's performance for the Full Year of 2022, the Chairman of Alba's Board of Directors, Shaikh Dajj Bin Salman Bin Dajj Al Khalifa stated:

We, in Alba, are pleased to report another year of strong operational growth and record financial performance despite market challenges.

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- An all-time Production of 1,600,111 metric tonnes while Value Added Sales exceeds for the first time in history 1,042,000 metric tonnes
- For 2nd year in a row, EBITDA at record levels of US\$1.502 billion
- Profit hit the three-comma club again by setting another precedent of US\$1.107 billion

These impressive results wouldn't have been made possible without the strategic oversight of HRH the Crown Prince and Prime Minister Prince Salman bin Hamad Al Khalifa. Such performance has allowed us not only to accelerate servicing our loans but also increase the dividend pay out to our shareholders.”

Alba's Chief Executive Officer, Ali Al Baqali, added:

Our resilience as a team has enabled us to generate an outstanding performance across key performance metrics as well as set new precedents and I am confident that we will continue to do so in 2023.

I call upon each employee and contractor's personnel to act on our 2023 Objectives – Safety: our operating license, AL HASSALAH top-up, readiness to take off safely, and don't limit yourself -- to finish strong against the challenging economic backdrop.”

Alba Management will hold a conference call on Monday 06 February 2023 at 1 PM Bahrain Time to discuss its financial and operational performance for the Full Year of 2022, outline the Company's priorities for 2023 as well as share insights on the current market conditions and outlook for 2023.