



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 of 30 September 2022 which are posted at [www.albasmelter.com](http://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 Third Quarter and 9 Months of 2022 are summarized below:

- ***Alba Reports its Financial Results for the Third Quarter and 9 Months of 2022***
- ***Again, Alba's Profit hit US\$1 billion for the 2<sup>nd</sup> year in a row***

### **Q3 & 9 Months 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 **BD48 million (US\$127.6 million)** for the **third quarter of 2022, down by 62% Year-over-Year (YoY)**, versus a Profit of BD125.9 million (US\$335 million) for the same period in 2021. The Company reported **Basic and Diluted Earnings per Share of fils 34 for Q3 2022** versus Basic and Diluted Earnings per Share of fils 89 for the same period in 2021. **The Total Comprehensive Income for Q3 2022** stood at **BD58.2 million (US\$154.8 million)** versus Total Comprehensive Income for the third quarter of 2021 of BD126.4 million (US\$336.1 million) – **down by 54% YoY**. **Gross Profit for Q3 2022** was **BD79 million (US\$210.2 million)** versus BD157.4 million (US\$418.5 million) for the same period in 2021 – **down by 49.8% YoY**. With regards to the **Revenue in Q3 2022**, Alba generated **BD403.2 million (US\$1,072.3 million)** versus BD388.9 million (US\$1,034.2 million) in Q3 2021 - **up by 3.7% YoY**.

With regards to the nine months of 2022, Alba has reported a **Profit of BD376.7 million (US\$1,001.9 million), up by 39.2% YoY**, versus a Profit of BD270.7 million (US\$720 million) for the same period in 2021. The Company reported **Basic and Diluted Earnings per Share of fils 266** for the nine months of 2022 versus Basic and Diluted Earnings per Share of fils 191 for the same period in 2021. Alba's Total Comprehensive Income for the nine months of 2022 was **BD416.1 million (US\$1,106.6 million), up by 51% YoY**, compared to a Total Comprehensive Income of BD275.5 million (US\$732.7 million) in the same period of 2021. **Gross Profit** for the nine months of 2022 was **BD465 million (US\$1,236.8 million)** versus BD361.5 million (US\$961.5 million) in the same period of 2021 – **up**

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by **28.6% YoY**. Alba generated in the nine months of 2022 **Revenue** of **BD1,378.5 million (US\$3,666.2 million)** versus BD1,061.5 million (US\$2,823.1 million) in the same period of 2021 - **up by 29.9% YoY**.

**Total Equity** as of **30 September 2022** stood at **BD1,783.7 million (US\$4,743.9 million)**, **up by 18.7%**, versus BD1,503 million (US\$3,997.4 million) as of 31 December 2021. Alba's **Total Assets** as of **30 September 2022** were **BD2,729.8 million (US\$7,260.1 million)** versus BD2,624.6 million (US\$6,980.3 million) as at 31 December 2021 - **up by 4%**.

Alba's top-line were driven by LME prices (down by 11% YoY in Q3 2022 and up by 19% YoY for the 9 months of 2022) despite flat growth in Sales' volume in both periods while the bottom-line for Q3 and 9 months of 2022 were driven by higher top-line and partially impacted by higher Cost and Distribution Expenses.

## Industry Highlights in Q3 2022

### Falling Demand: Heightened Levels of Volatility and Uncertainty (+0.3% YoY)

- After navigating through COVID-19 pandemic, the global economy has started to face the prospect of a recession. Outbreak of Ukraine-Russia war has led to a steep increase in energy prices with global inflation rising to unprecedented levels and interest rates up sharply. All of these have taken their toll on the Aluminium industry mainly in Europe and US as smelters have cut output against the background of high power prices and falling demand growth
- Middle East: Demand up by 8% YoY supported by higher consumption in UAE (+17% YoY) & Bahrain (+3% YoY)
- US: Aluminium demand remains under pressure (+2% YoY)
- China: consumption was impacted by COVID-19 lockdowns and logistic challenges (+1% YoY). Sectors such as construction, packaging and consumer durables have suffered the most
- Europe: Slowing economic growth and higher inflation have led to a contraction in Aluminium demand (- 8% YoY)

### World Market Supply +3% YoY

- China increased production (up by 6% YoY) following 2021 supply cuts and delayed ramp ups
- Europe leading the World ex-China with its output cuts owing to spikes in energy prices (down by 8% YoY)
- North America supply impacted due to economic slowdown (down by 5% YoY)
- Middle East: Supply up by 3% YoY led by higher production in UAE (+5% YoY)
- World Market: In surplus with China (+90Kt) and w/o China (+152Kt)

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## **LME Prices and Premia**

- LME-Cash averaged US\$2,354/t in Q3 2022 with LME inventories hitting record low at 330 kt (down by 73% YoY)
- Premiums down owing to weaker demand and bearish market sentiment

## **Alba Major ESG Highlights in Q3 2022**

- Recipient of six major National Safety Council (NSC) USA awards for 2021: Safety Leadership Award, Significant Improvement Award, Perfect Record Award, Occupational Excellence Achievement Award, Milestone Award and Million Work Hours Award
- Alba supported Bahrain's ESG initiative 'Forever Green' by sponsoring Ras Sanad Mangrove Nursery Project
- To provide equal opportunity to its female workforce, Alba has given a tailor-made leadership course to further their leadership skills
- Alba affirms its commitment to Bahraini youth development by supporting 70 students who are undergoing On-The-Job training (OJT) programmes across different functions in Alba
- 31 million safe working hours without LTI achieved on 24 September 2022
- To release Alba's sixth edition of Sustainability Report (w/ quality assurance)

## **Alba Major Operational Highlights in Q3 2022**

- Production [Q3: 404,578 MT, up by 3% YoY; 9 Months: 1,192,171 MT, up by 2% YoY]
- Sales' volume [Q3: 366,292 metric tonnes (MT); 9 Months: 1,108,950 MT -- flat growth in both periods]
- Value Added Sales [Q3: 67% versus 58% in Q3 2021; 9 Months: 67% versus 62% in 9 Months in 2021]
- Debut of the first foundation concrete for Power Station 5 Block 4 Project as well as kick-off of construction activities and other site works
- Mitsubishi Power Awarded Long Term Service Agreement (LTSA) to ensure efficient and reliable power supply

## **Aluminium Short-Term Outlook Clouded With Uncertainty & Weak Market Sentiment**

- Global economy has plunged into an extended period of stagflation with high inflation, weak consumer demand and slow industrial output growth. This is likely to lead to a sustained period of metal surpluses in the market.
- Fear of recession is rising following the aggressive interest rate hikes in US and Europe while weak property sector continues to weigh on China's economy
- Demand for packaging and renewable energy-related sectors is set to grow

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- High energy costs in Europe are likely to boost output cuts while low precipitation in Yunnan limits supply growth in China
- Freight rates expected to further decline amid slowing global trade and as global supply-chains show signs of improvement
- Regional premia are set to decline given concerns over metal demand
- LME price to range between US\$2,000/t – US\$2,100/t for the remainder of 2022

## 2022 Alba Priorities

- Deliver on newly-launched ESG roadmap in line with Bahrain's Objectives for 'Net Zero Emissions' by 2060
- Embed ESG in every aspect of our 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 Sales despite challenges
- Finalise awarding the Solar Farm Project
- Progress with Bechtel's Feasibility Study (FS) for Line 7 by Q3 2023

Commenting on Alba's sound financial performance for the 9 months of 2022, the Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa stated:

"It didn't take us 12 months to hit US\$1 billion mark in our Profit (US\$1.002 billion, up by 39% YoY). With this strong performance, we have set a new benchmark amidst the market challenges. We are also committed more than ever to move forward with the Proposed Line 7 Project and invest in expanding Alba's production capacity to meet future market demand.

As we cruise towards closing 2022, we remain optimistic to score new precedents in our operational and financial performance."

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

"Alba's strong foundation, thanks to Line 6 Expansion Project, has allowed us not only to address the challenges but also open new possibilities in terms of doing more for less. With the increased uncertainty and volatility, we remain committed to excel in what we control best: Safety, Production and Cost."

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Alba Management will hold a conference call on Monday 14 November 2021 at 2 PM Bahrain Time to discuss its financial and operational performance for Q3 and 9 months of 2022, outline the Company's priorities for 2022 as well as share insights on the current market conditions and outlook for 2022-2023.