



INVESTOR RELATIONS PRESENTATION

Q2 2023



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CONTENTS

01
Industry
Highlights

02
Alba
Highlights

03
Q2 2023
Results

04
Industry Perspectives
in 2023

05
2023 Alba
Priorities

06
Appendix
H1 2023



01

INDUSTRY HIGHLIGHTS¹



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)

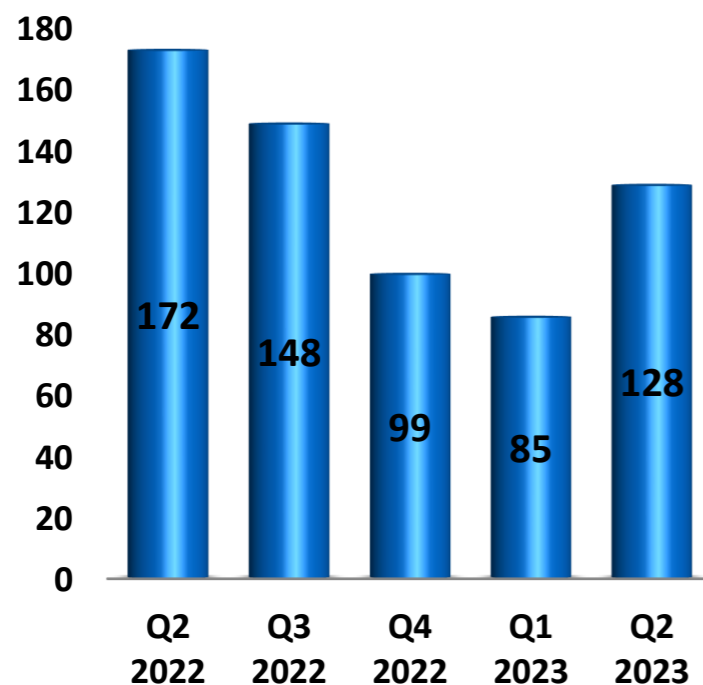
- Despite recent smelter cuts in Yunnan province, China increased its production (+1% YoY)
- Europe is leading the world ex-China with its output cuts (-5% YoY) owing to high energy prices [curtailed capacity restarts are challenged in the world ex-China as energy prices remain expensive and no significant 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)



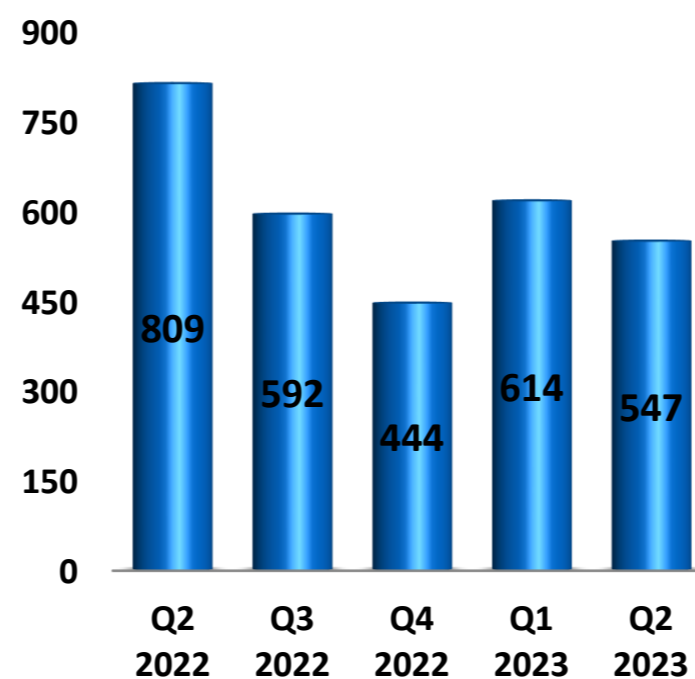
LME Price & Premiums

-  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 [lowest: US\$2,096.5/t on 30 Jun'23 and highest: US\$2,410/t on 20 Apr'23]
-  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

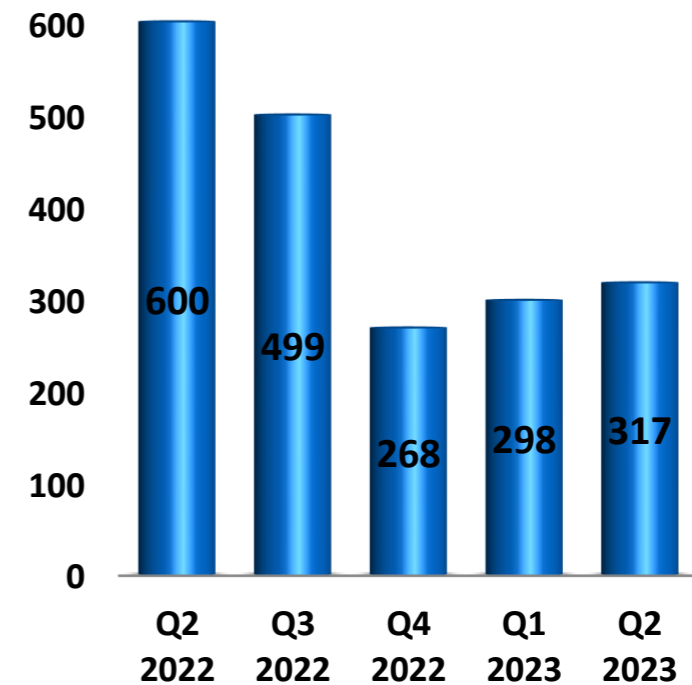
Major Japanese Ports (MJP¹)



US Midwest

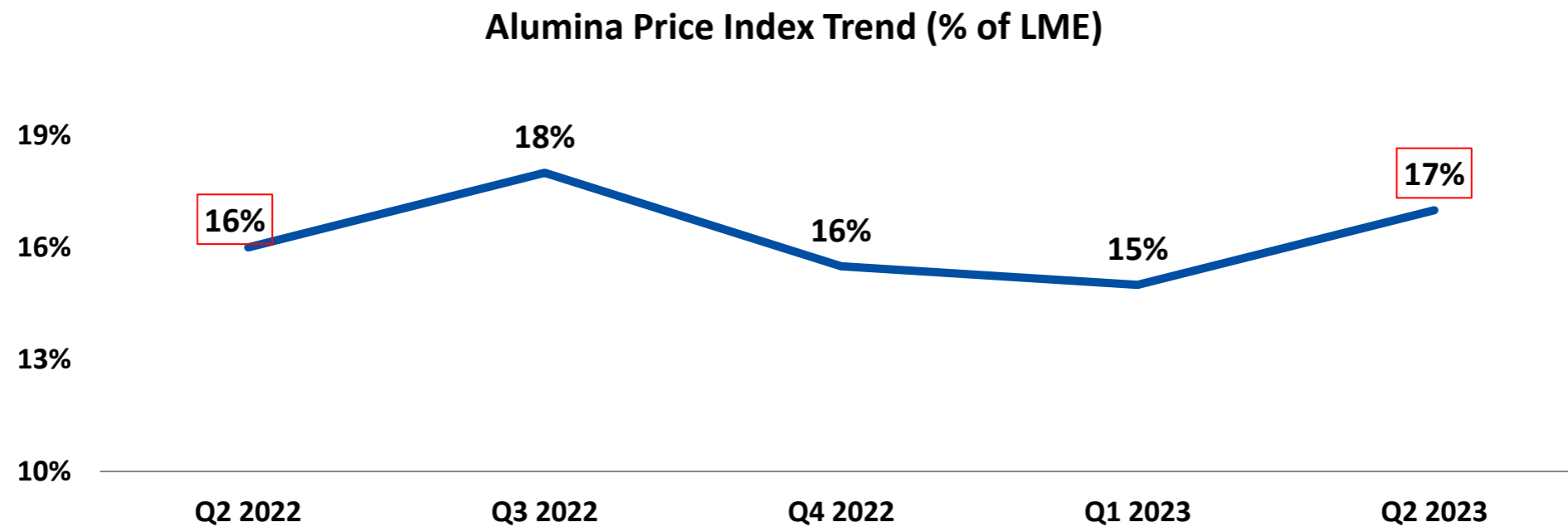
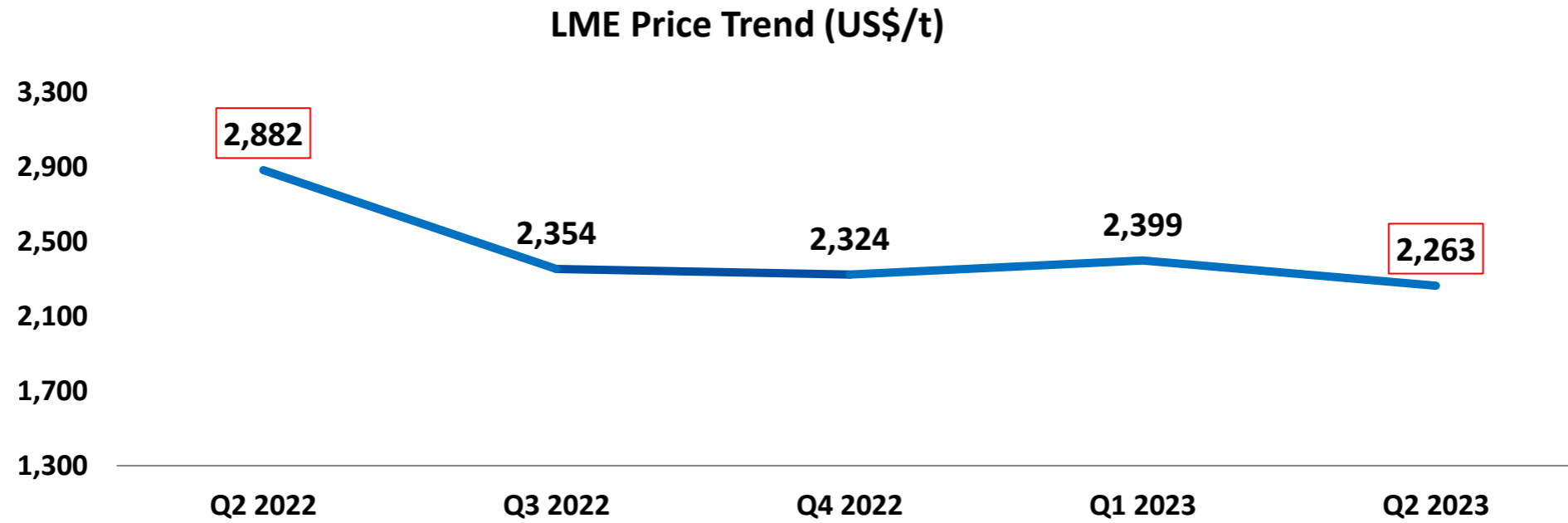


DDP Rotterdam



¹Major Japanese Ports (MJP) is based on Cost, Insurance and Freight (CIF)

Alumina Price: 17% of LME Price [US\$374/t]





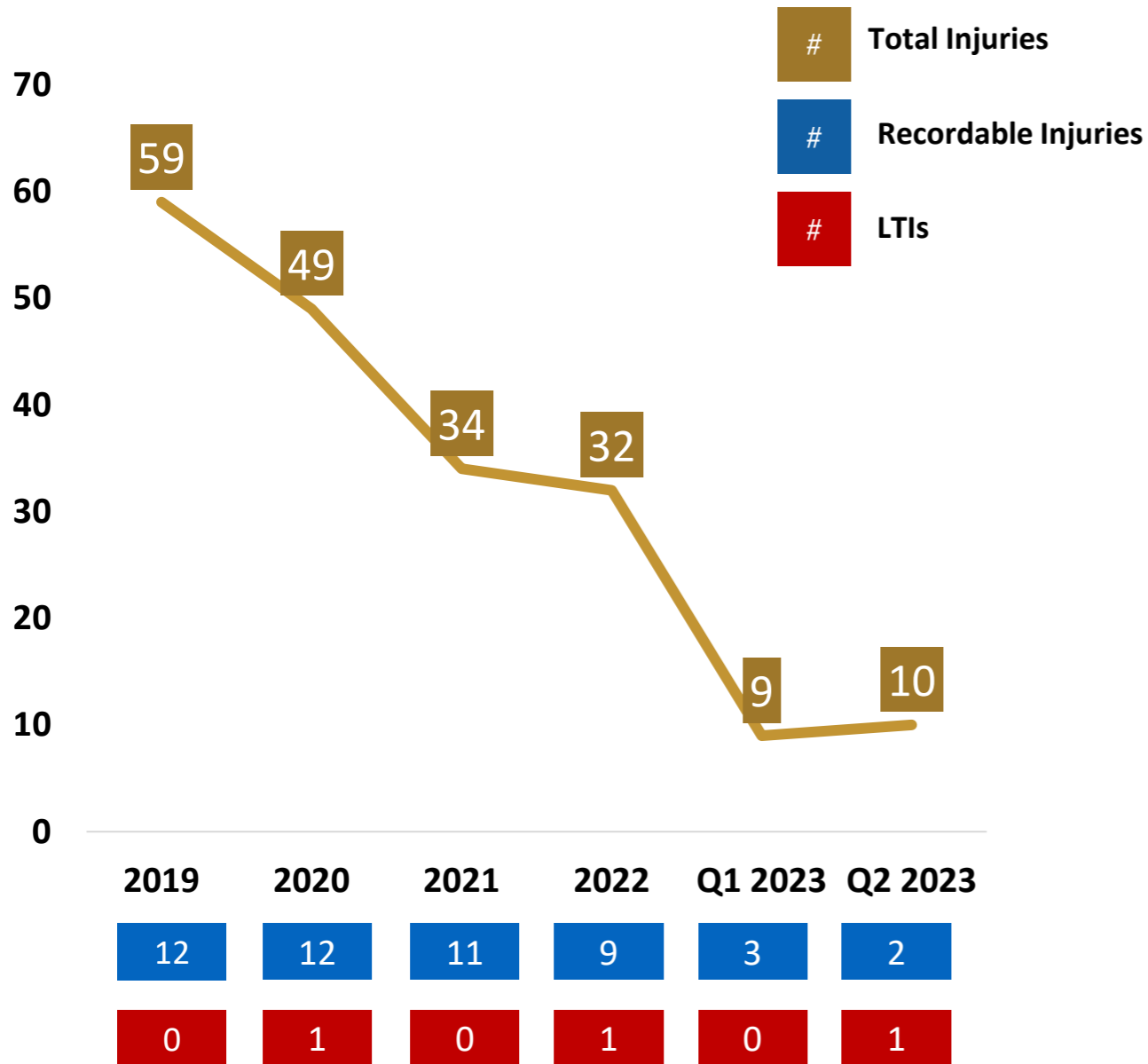
02

ALBA HIGHLIGHTS¹

¹Alba Highlights relate to Alba official news which have been made public during Q2 2023



Safety in Numbers





MILLION

SAFE-WORKING HOURS WITHOUT LTI





**4 Million Safe Working Hours w/o LTI
on 12 July 2023**



Major 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



ESG: A Journey, Not A Destination



Decarbonisation



Green Energy & Aluminium



Circular Economy & Secondary Alu.



Employee Welfare



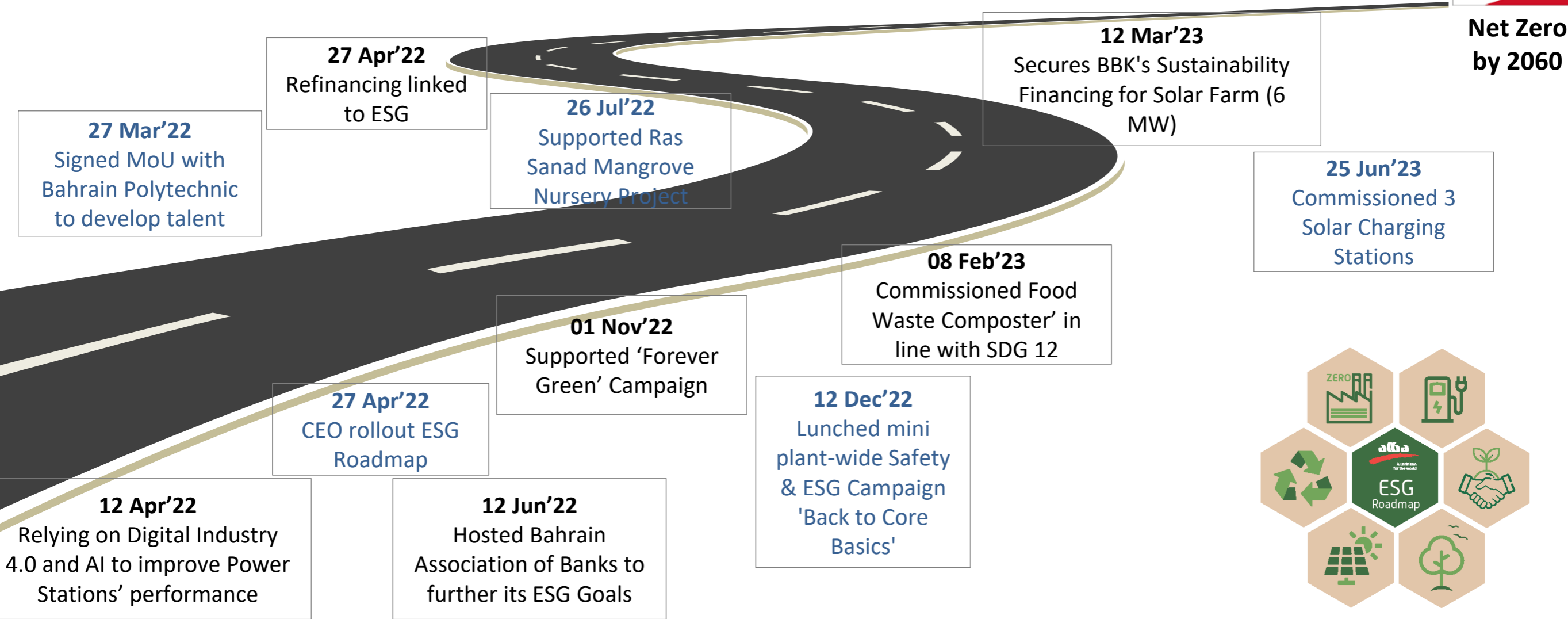
Collaboration & Partnership



Transparency, Comms' & Due Diligence



Net Zero by 2060





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]
- 🌐 Natural Gas price remains at US\$4/MMBTU until further notice while Management is in discussion with the Government to renew the Gas Price contract
- 🌐 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

Financial Key Performance Indicators – Q2 & H1 2023

EBITDA – driven primarily by lower LME Price & Premiums



H1: US\$433 million
down by 59% YoY

Q2: US\$204 million
down by 63% YoY

Free Cash Flow¹ - impacted by working capital changes



H1: US\$211 million
down by 56% YoY

Q2: US\$133 million
down 19% YoY

H1: US\$206 million
down by 77% YoY

Q2: US\$80 million
down by 84% YoY



Net Income - driven by lower EBITDA

Interim Cash Dividend

Fils13.28 per share

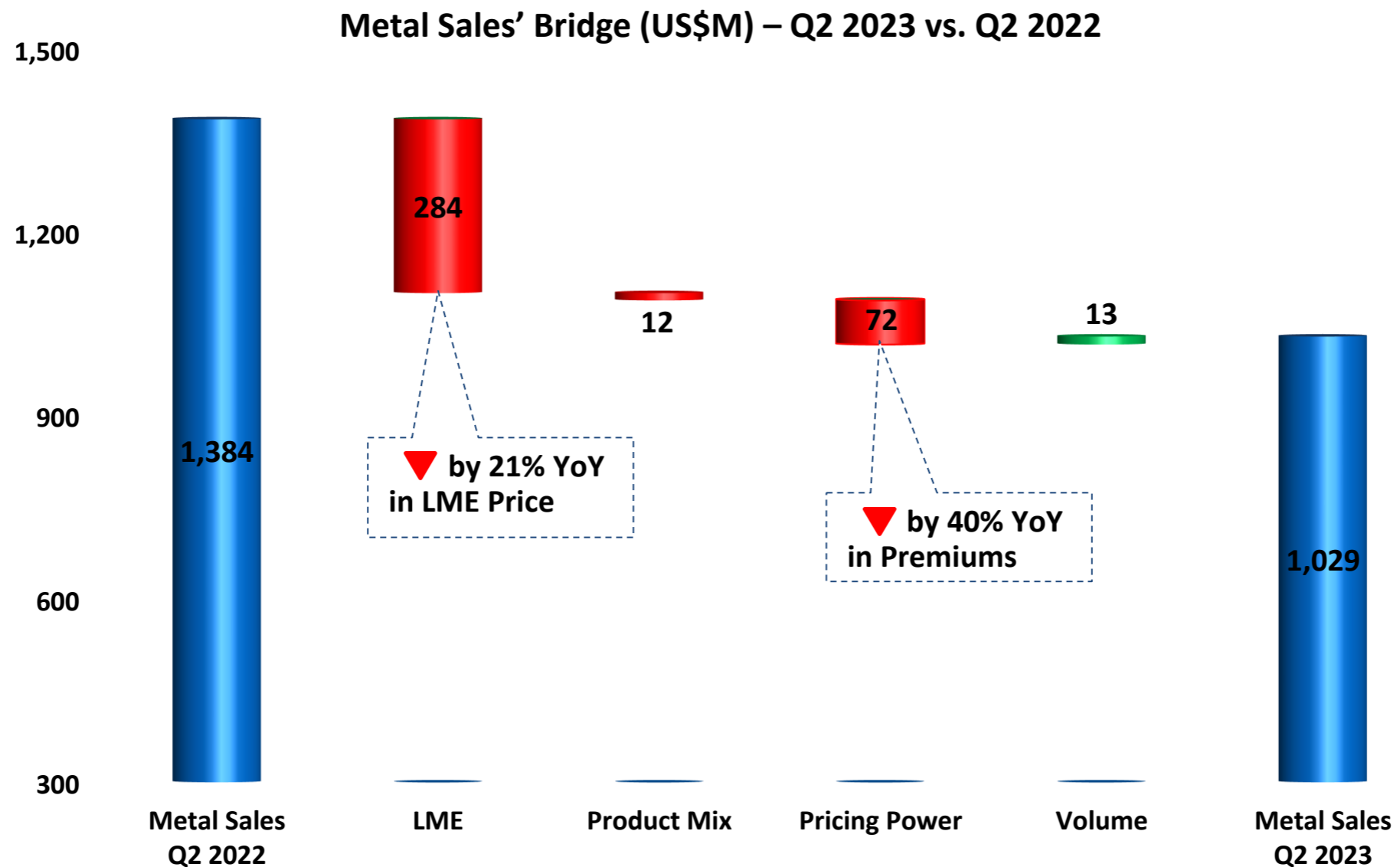


03

Q2 2023 RESULTS

Aluminium Industry: Lower LME Prices & Premiums Amidst Weak Demand

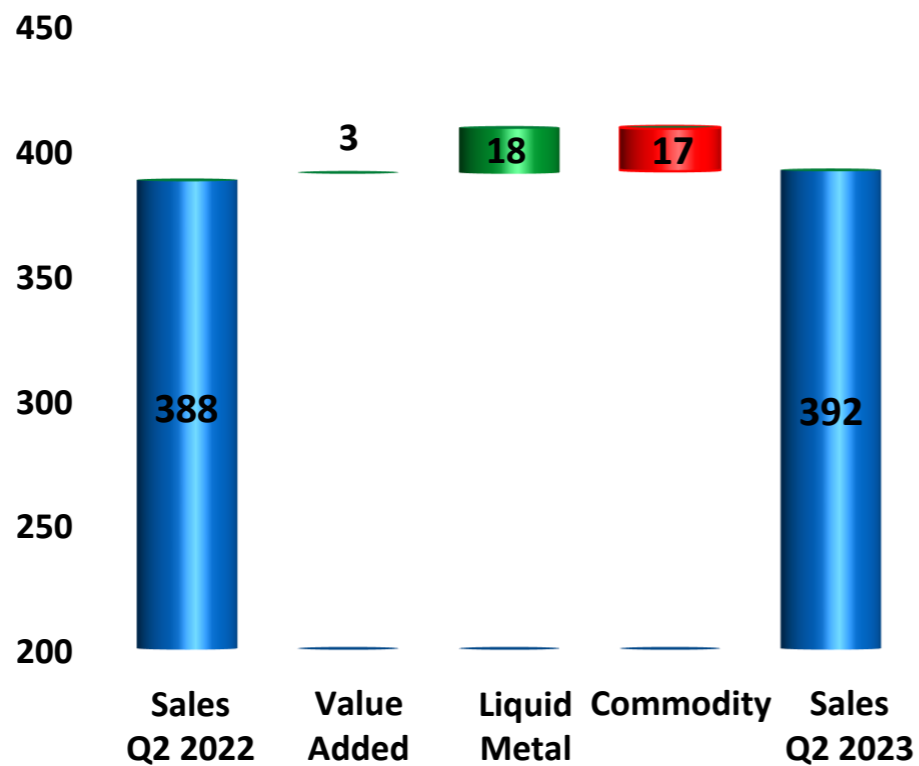
Lower Metal Sales Owing to Drop in LME Price and Premiums



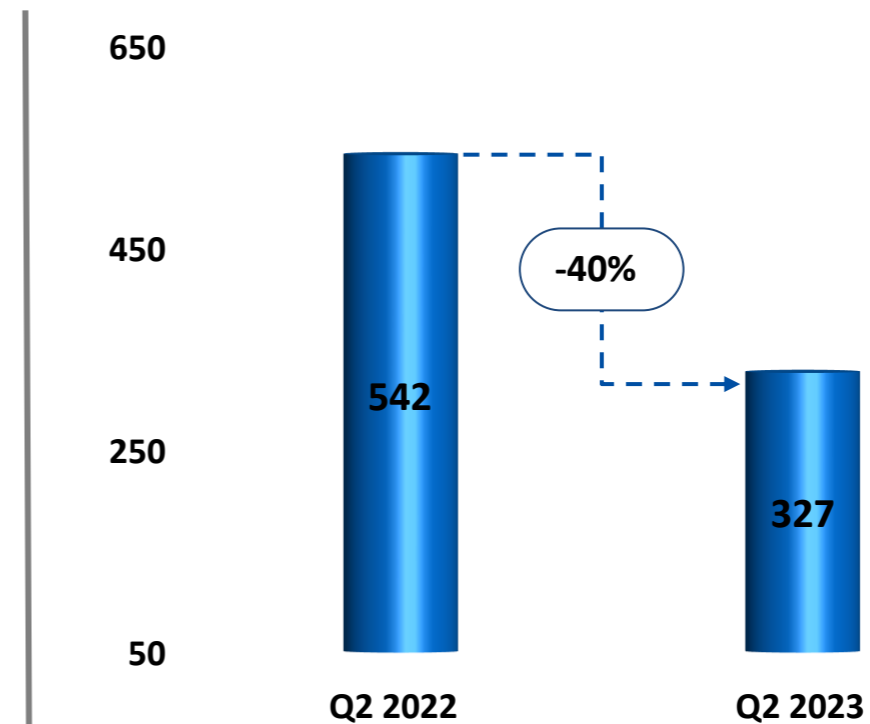
Aluminium Industry: Lower LME Prices & Premiums Amidst Weak Demand

Higher VAP & Liquid Metal with Lower Commodities

Sales by Product-Line Bridge (MT'000)
Q2 2023 vs. Q2 2022



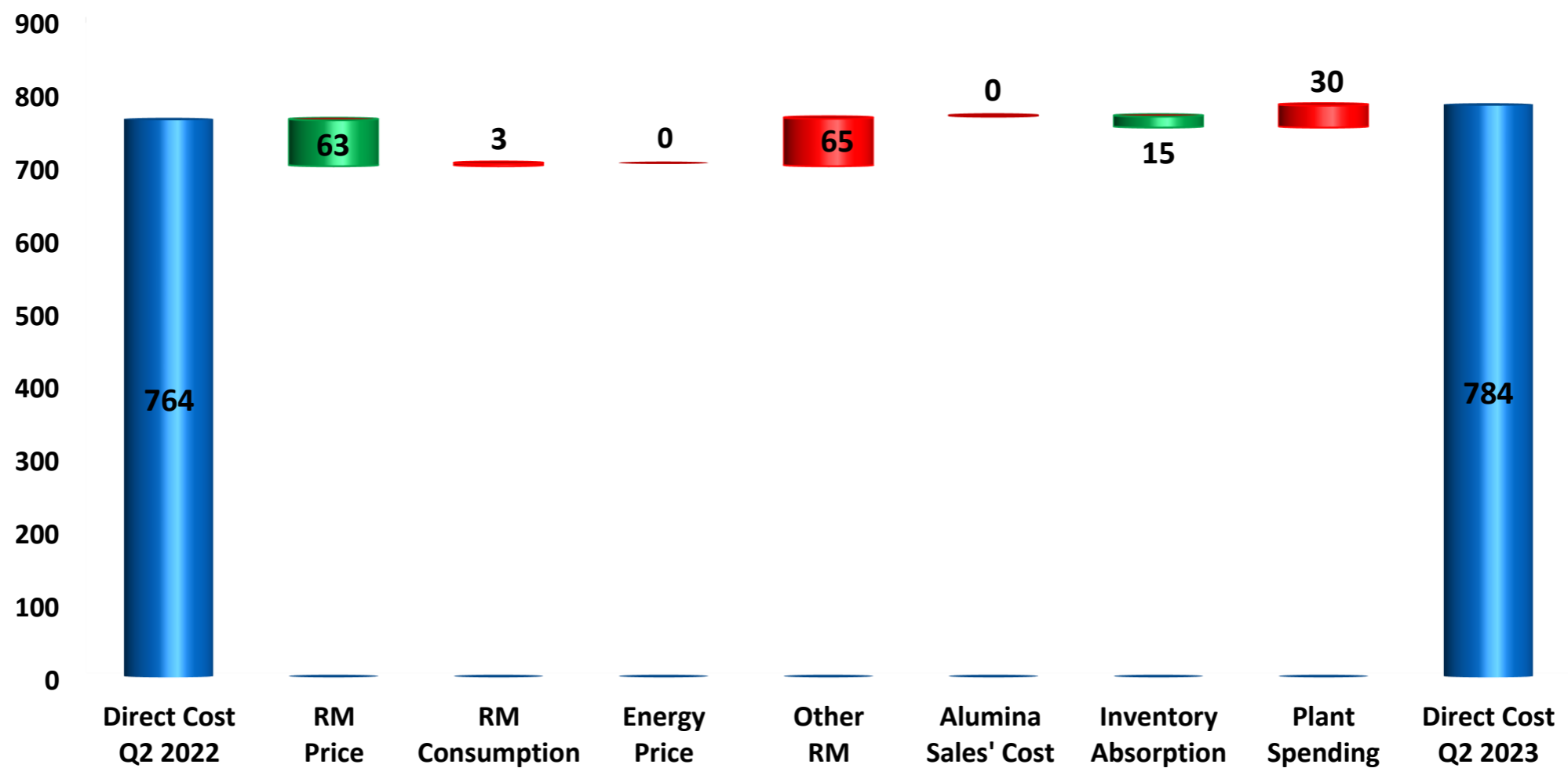
Premium Above LME Trend US\$ Per MT



Aluminium Industry: Lower LME Prices & Premiums Amidst Weak Demand

Higher Direct Cost Owing to Higher Throughput & Partially Offset by Lower Alumina Prices

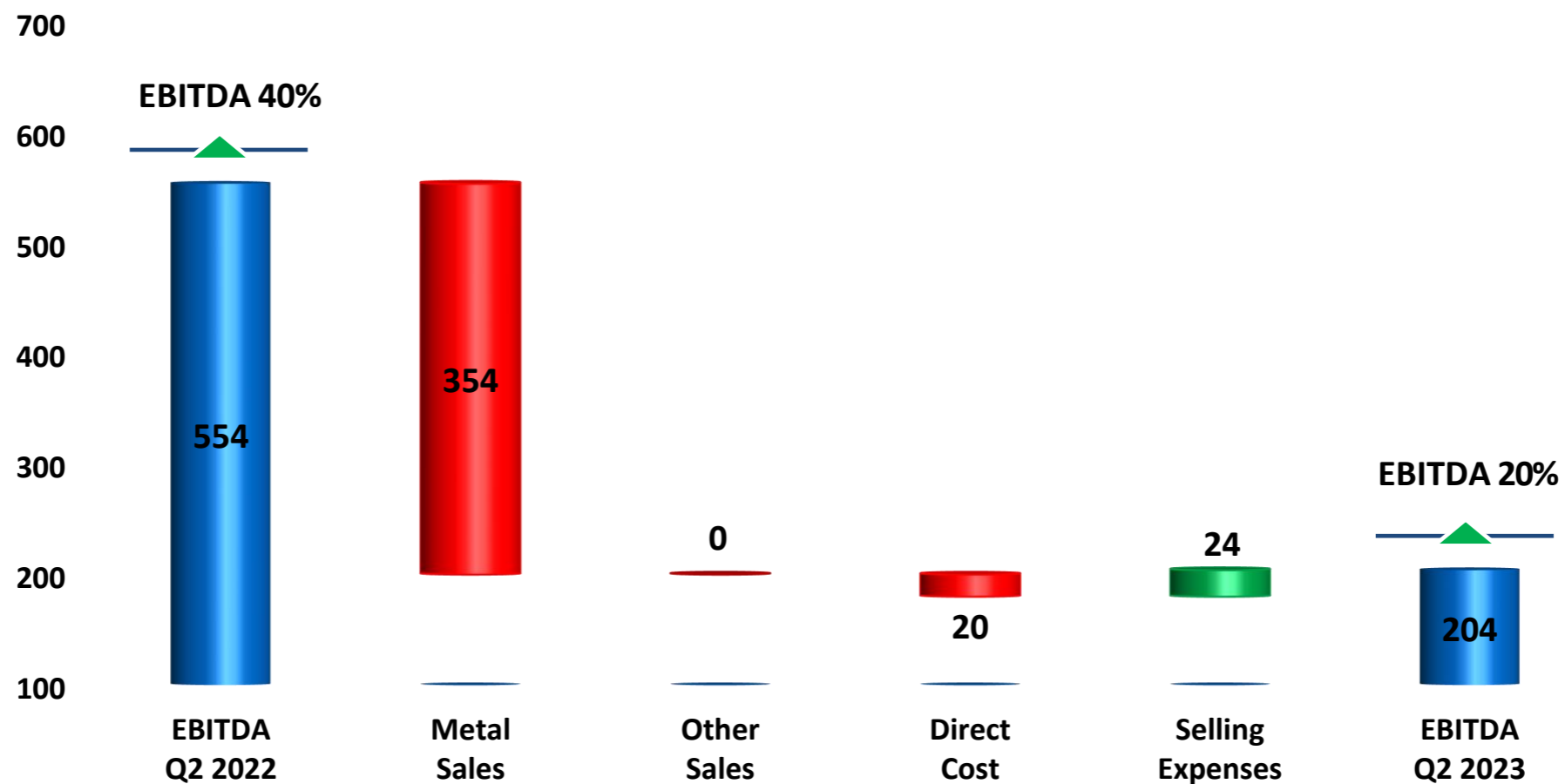
Direct Cost Bridge (US\$M) – Q2 2023 vs. Q2 2022



Aluminium Industry: Lower LME Prices & Premiums Amidst Weak Demand

EBITDA Bridge Gap Analysis – Q2 2023 vs. Q2 2022
Lower EBITDA Margin at 20% Owing to Lower Metal Sales

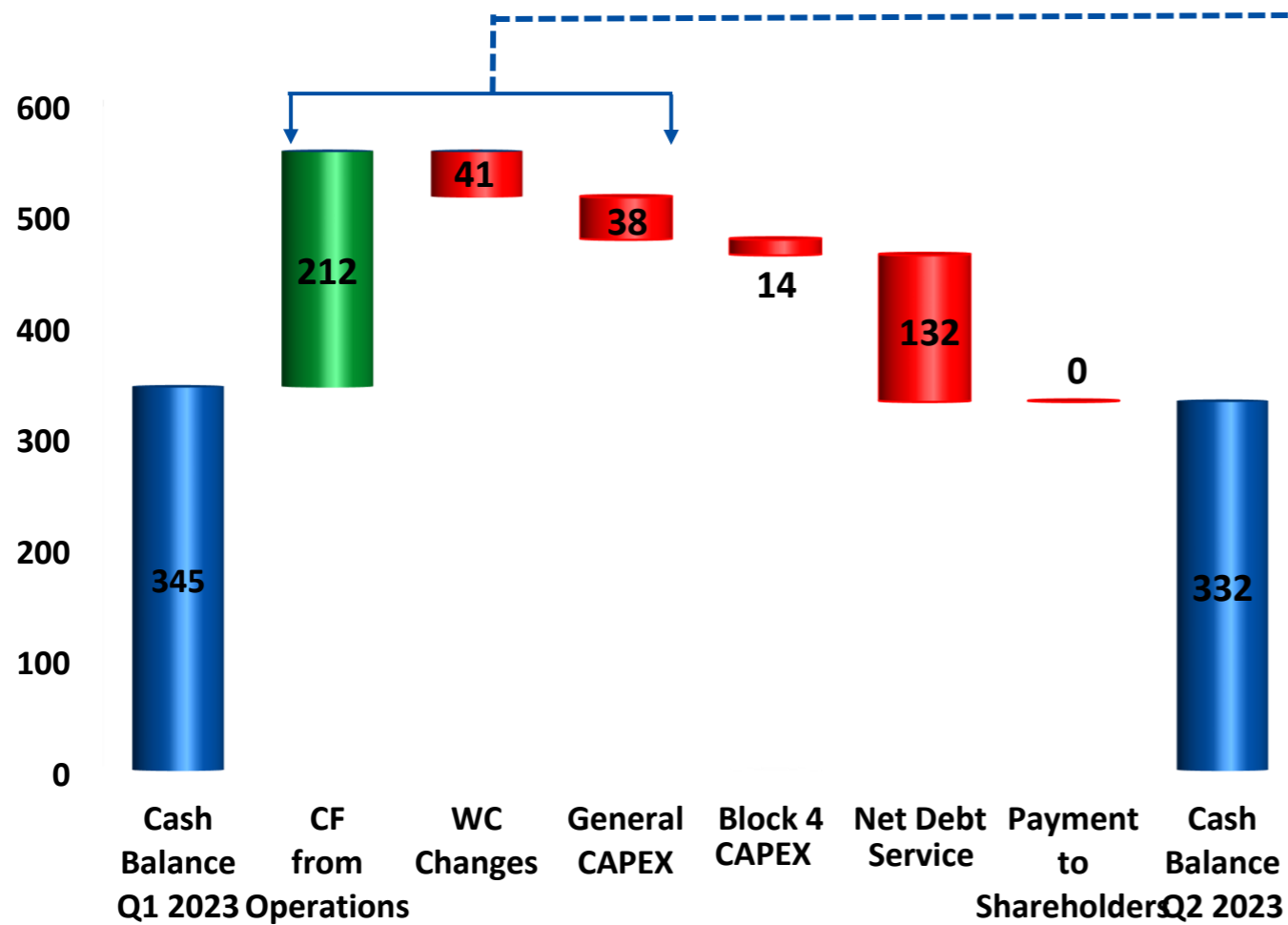
EBITDA Bridge (US\$M) – Q2 2023 vs. Q2 2022



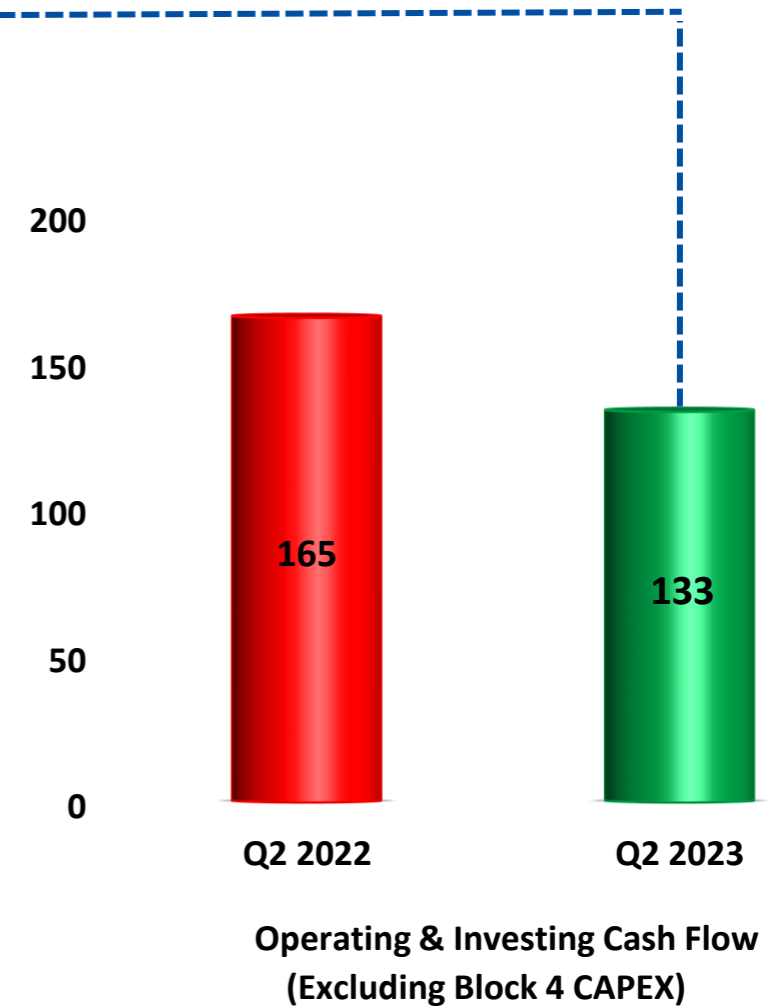
Aluminium Industry: Lower LME Prices & Premiums Amidst Weak Demand

Cash-Flow Bridge – Q1 2023 to Q2 2023

Q1 2023 to Q2 2023 Cash-Flow Bridge (US\$M)



Free Cash Flow (US\$M)



Aluminium Industry: Lower LME Prices & Premiums Amidst Weak Demand

Key Financial Performance Q2 & H1 2023

Financial Summary	Q2 2023	Q2 2022	H1 2023	H1 2022
Average Cash LME (US\$/MT)	2,263	2,882	2,331	3,075
Average Alumina Price (US\$/MT)	374	465	364	448
Revenue (US\$M)	1,029	1,384	2,013	2,594
EBITDA (US\$M)	204	554	433	1,046
EBITDA %	20%	40%	22%	40%
Net Income (US\$M)	80	484	206	874
Loss on Unrealised Derivatives (US\$M)	(0)	(6)	(0)	(3)
Adjusted Net Income (US\$M)	80	490	206	877



04

INDUSTRY PERSPECTIVES¹ IN 2023

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

Raw Materials Price Trends (Al_2O_3 , AlF_3 and GPC)

- Alumina spot prices to further soften owing to a correction in refining costs
- Aluminium Fluoride prices expected to range at the same levels owing to stable raw material prices
- Carbon markets (GPC, CPC & Anodes) expected to move into stability in the short-run
- Liquid Pitch prices to remain high due to supply cuts in the market



05

2023 ALBA PRIORITIES¹

ESG Focus & Journey Towards Safety Excellence

Safety is a Journey, Not a Destination

- 🌐 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 7th Edition of Alba’s Sustainability Report 2022 in Q4 2023

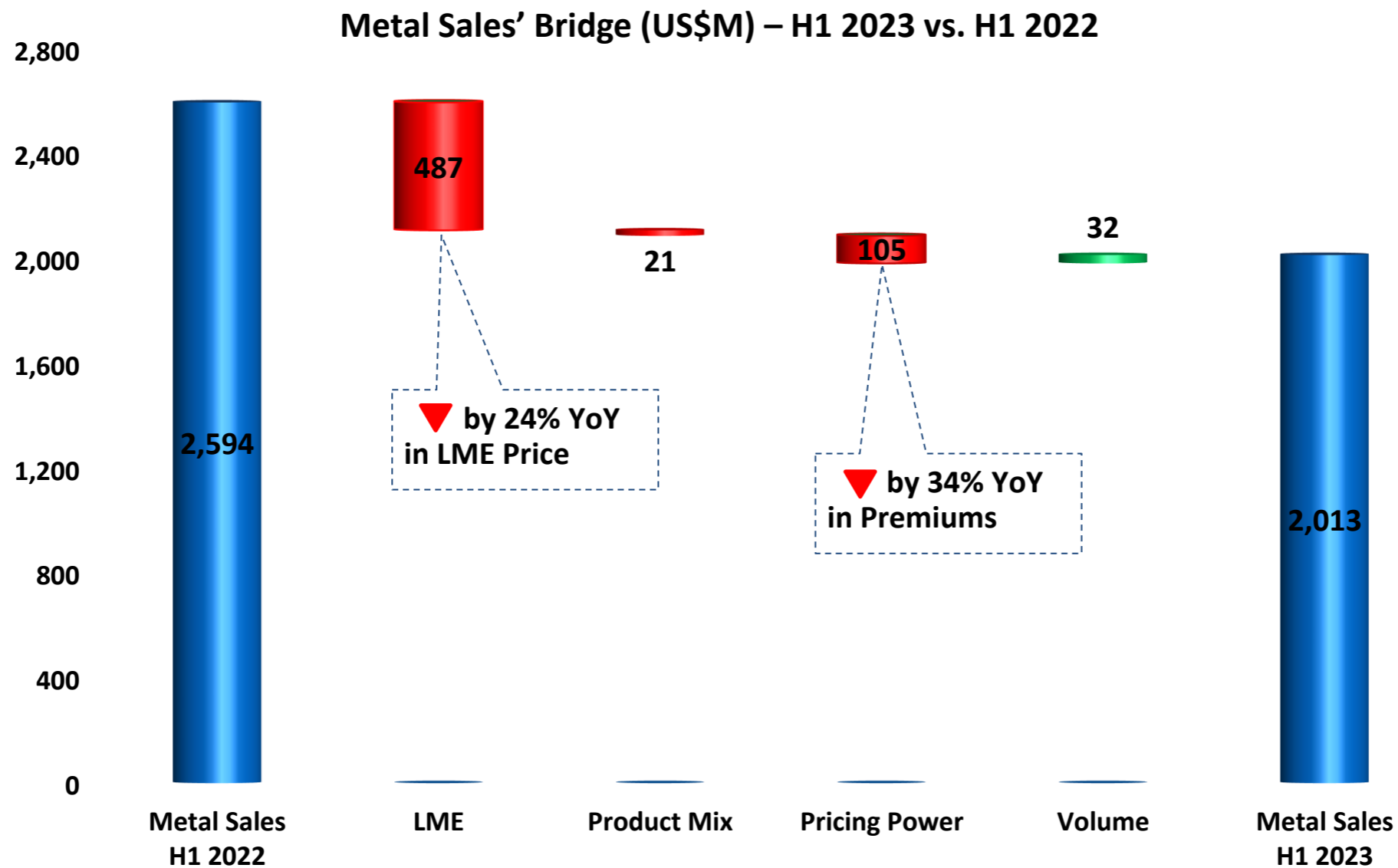


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APPENDIX (H1 2023)

Aluminium Industry: Lower LME Prices & Premiums Amidst Weak Demand

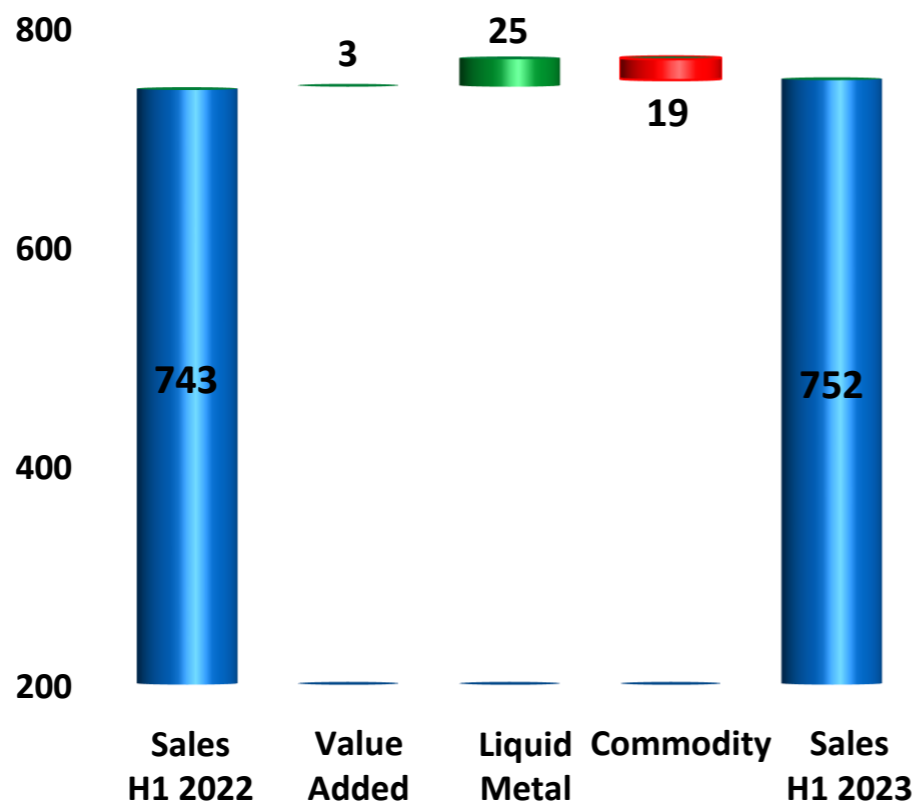
Lower Metal Sales Owing to Drop in LME Price and Premiums



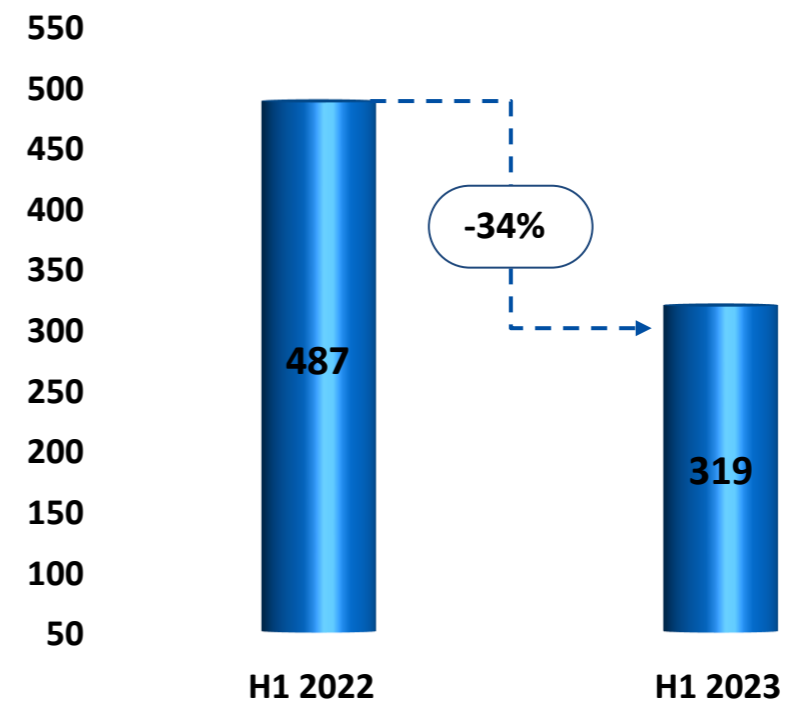
Aluminium Industry: Lower LME Prices & Premiums Amidst Weak Demand

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Sales by Product-Line Bridge (MT'000)
H1 2023 vs. H1 2022



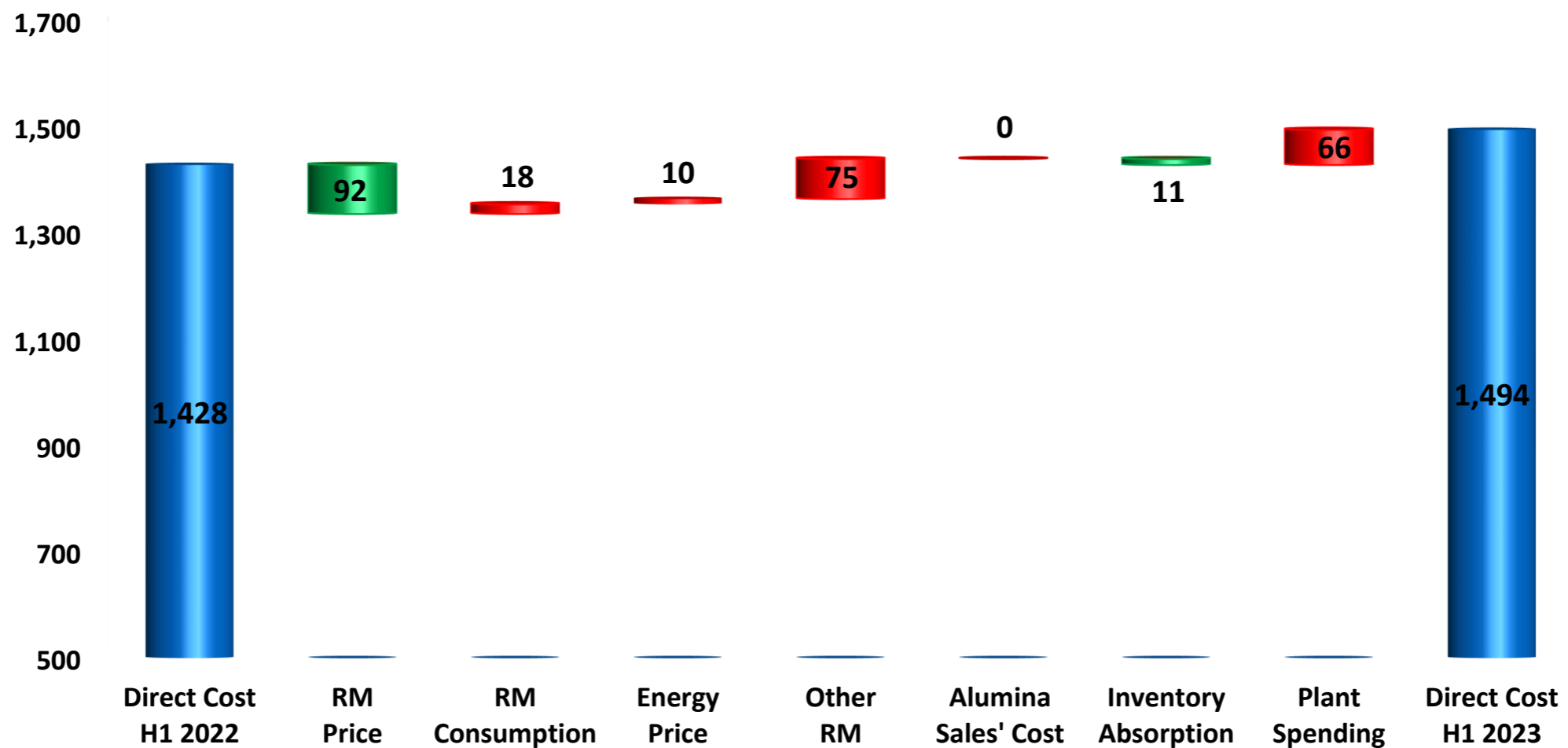
Premium Above LME Trend US\$ Per MT



Aluminium Industry: Lower LME Prices & Premiums Amidst Weak Demand

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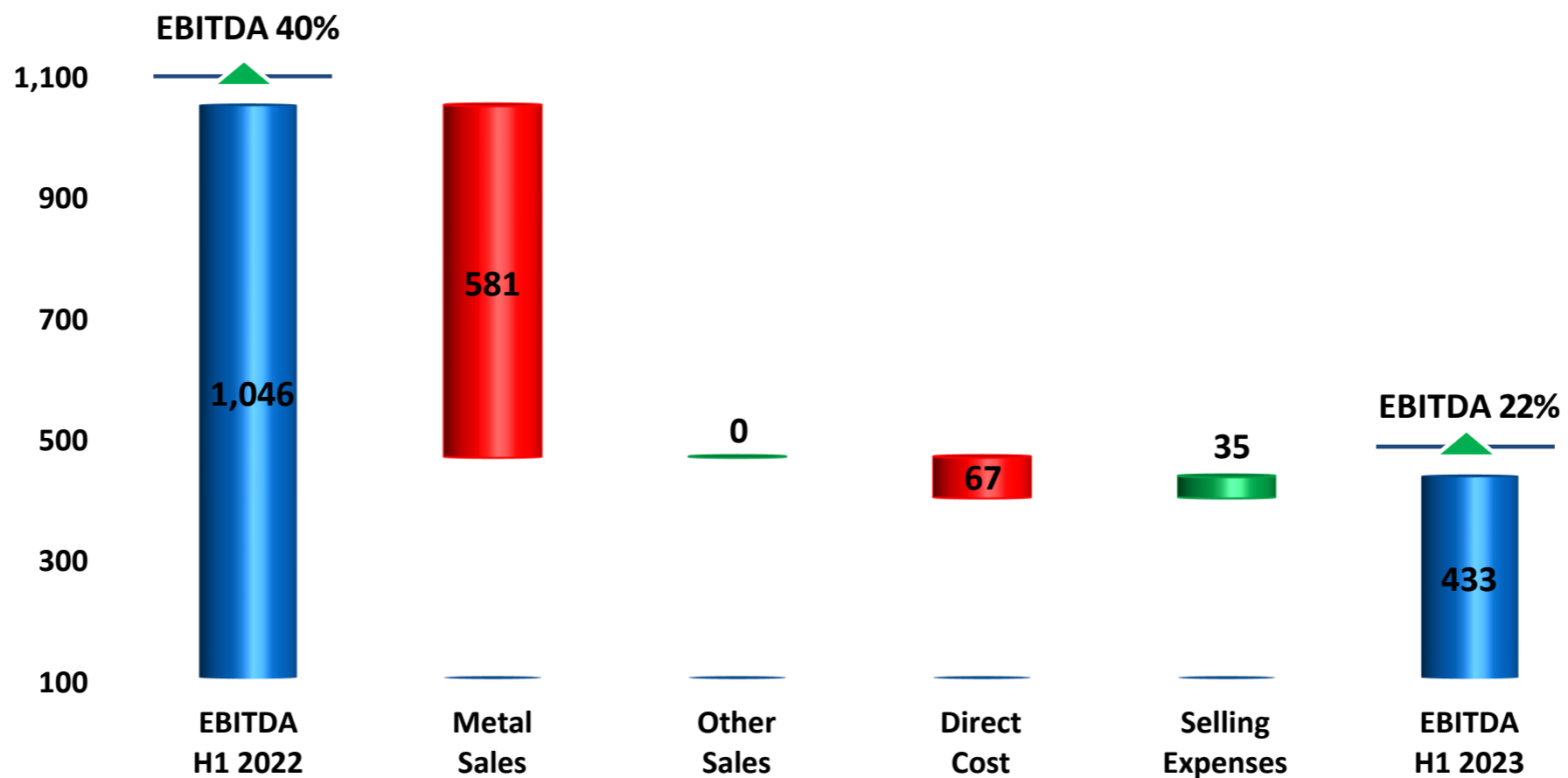
Direct Cost Bridge (US\$M) – H1 2023 vs. H1 2022



Aluminium Industry: Lower LME Prices & Premiums Amidst Weak Demand

EBITDA Bridge Gap Analysis – H1 2023 vs. H1 2022
Lower EBITDA Margin at 22% Owing to Lower Metal Sales

EBITDA Bridge (US\$M) – H1 2023 vs. H1 2022

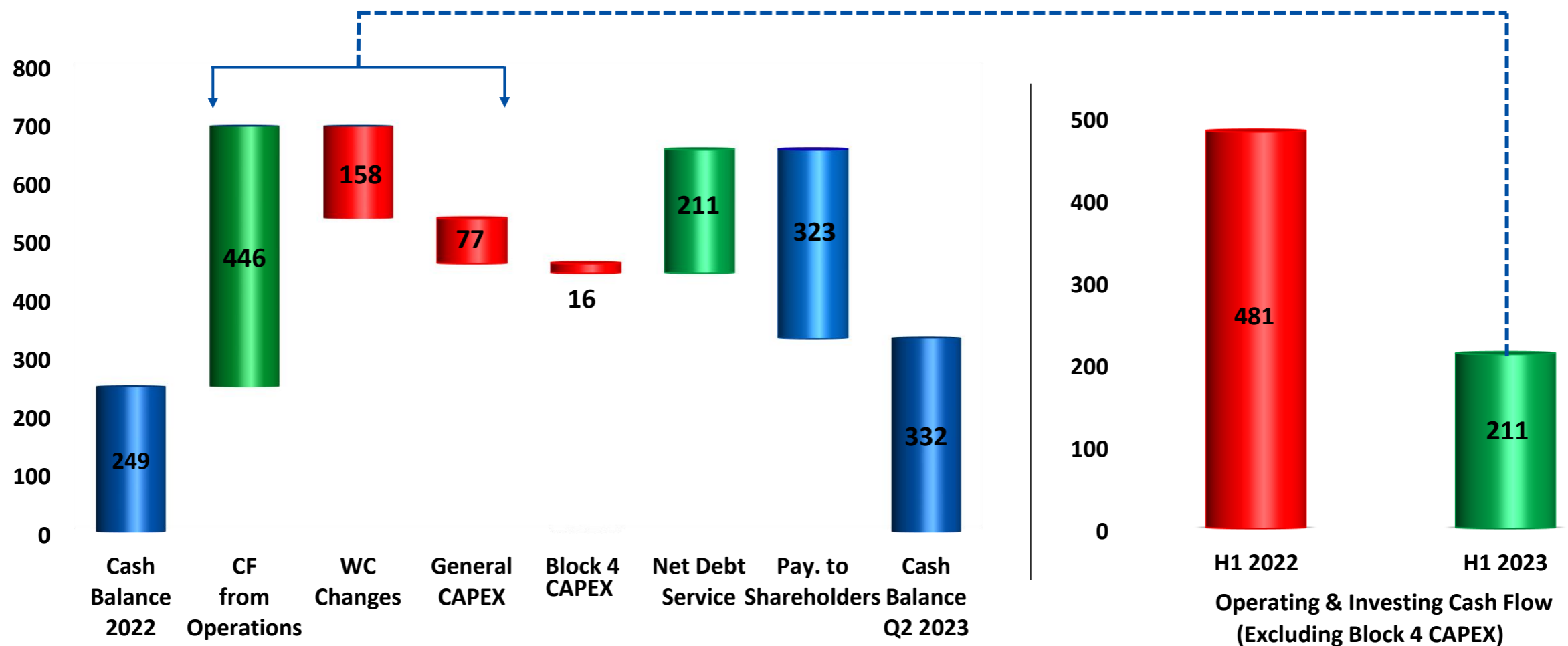


Aluminium Industry: Lower LME Prices & Premiums Amidst Weak Demand

Cash-Flow Bridge – FY 2022 to Q2 2023

FY 2022 to H1 2023 Cash-Flow Bridge (US\$M)

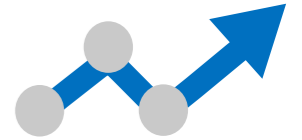
Free Cash Flow (US\$M)



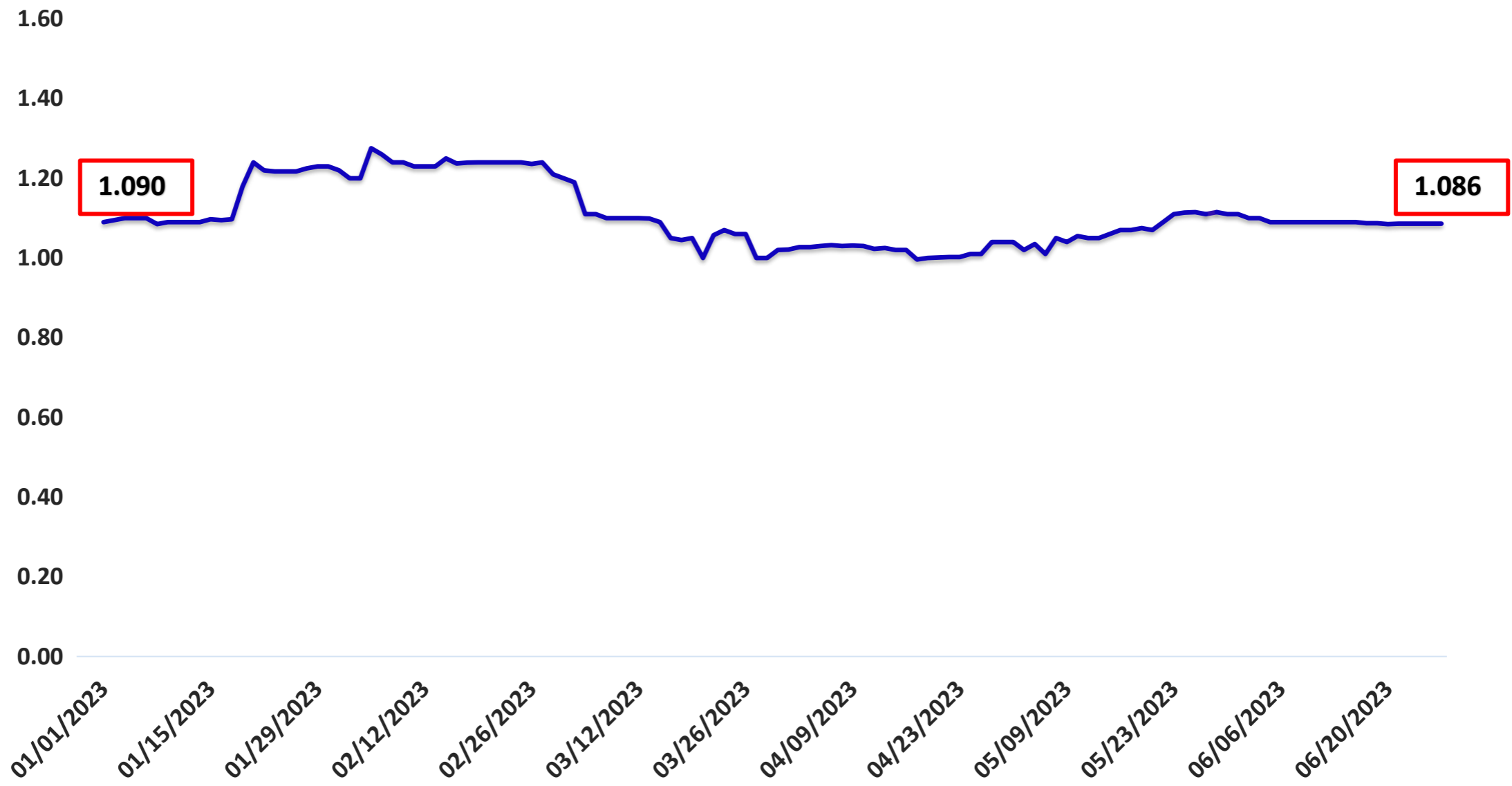
Alba Shareholder's Structure



- Alba was converted into a Bahrain Public Joint Stock Company on 23 November 2010
- Alba shares are listed on two exchanges: Ordinary Shares on Bahrain Bourse (BHB) and Global Depository Receipts (GDRs) on the London Stock Exchange – Alternative Investment Market
- Alba Ticker [BHB: ALBH, BD1.086 on 30 June 2023]



Alba Share Price Performance [ALBH, BD]





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