



# INVESTOR RELATIONS PRESENTATION

**Q2 & H1 2024**



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# 01

## INDUSTRY HIGHLIGHTS<sup>1</sup>





## 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 challenges have collectively contributed to a passive demand environment. While certain sectors exhibit resilience, the overall recovery remains fragile and uneven across regions.
- 🌐 **China:** Despite government stimulus efforts, Chinese consumption growth has moderated to 3% year-over-year (YoY), indicating a lack of robust domestic demand momentum. The auto sector faces additional challenges as the EU imposes duties on Chinese electric vehicle imports, further dampening output growth prospects.
- 🌐 **Middle East:** Supported by increased consumption in UAE, the Middle East region has registered a modest 2% YoY demand uptick. However, the overall economic outlook for the region remains contingent on global economic conditions and geopolitical factors.
- 🌐 **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%

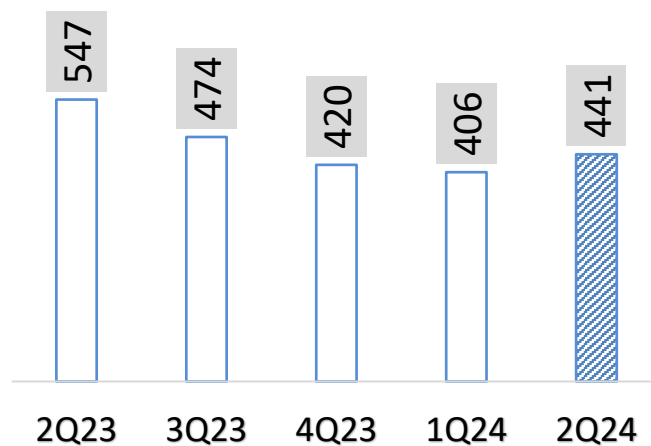
- Despite overall weak demand, global primary production rose due to higher output in China, Europe, and the Middle East.
- Chinese supply climbed 4%YoY as Yunnan smelters operated at full capacity except for Yunnan Hongtai smelter as heavy June rains boosted hydropower in this province.
- European supply edged up by only 1% YoY due to economic uncertainty. Recovery is still uneven with Germany's manufacturing sector struggling.
- Middle East supply up by 1% YoY.
- North American supply down by 2% YoY, mainly due to a 15% YoY drop in US production. This was partly offset by a 2% YoY increase in Canada.
- 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).



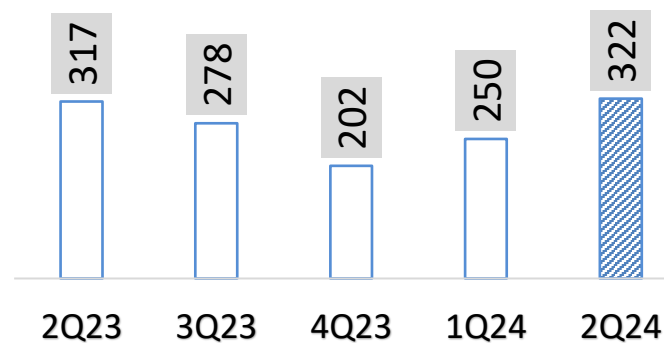
## LME Price & Premiums

- LME price averaged US\$2,519/t in Q2 2024, up by 11% YoY. Prices fluctuated between a low of US\$2,322.50/t on 2 April 2024) and a high of US\$2,695/t on 29 May 2024.
- LME inventories jumped 88% YoY reaching about 1 million tonnes, fuelled by growing stockpiles of Russian metal in LME warehouses.
- Premium prices surged primarily driven by US and UK sanctions on Russian metal in April and persistent supply chain bottlenecks in the Red Sea.

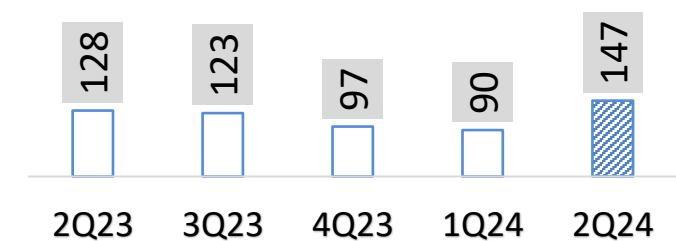
US Midwest (US\$/t)



DDP Rotterdam (US\$/t)

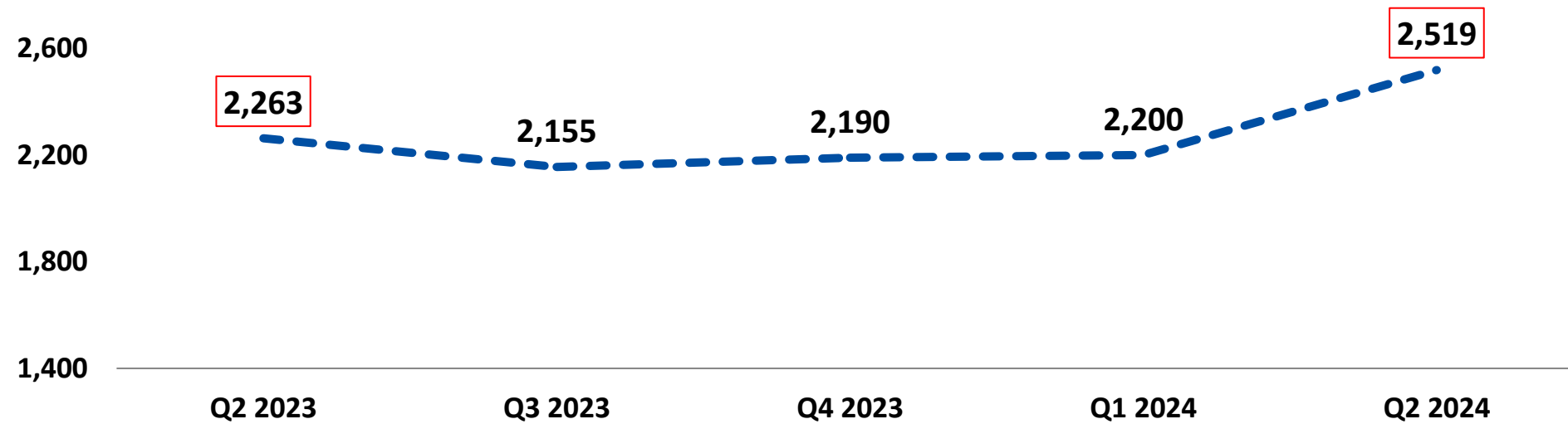


Major Japanese Ports<sup>1</sup> (US\$/t)

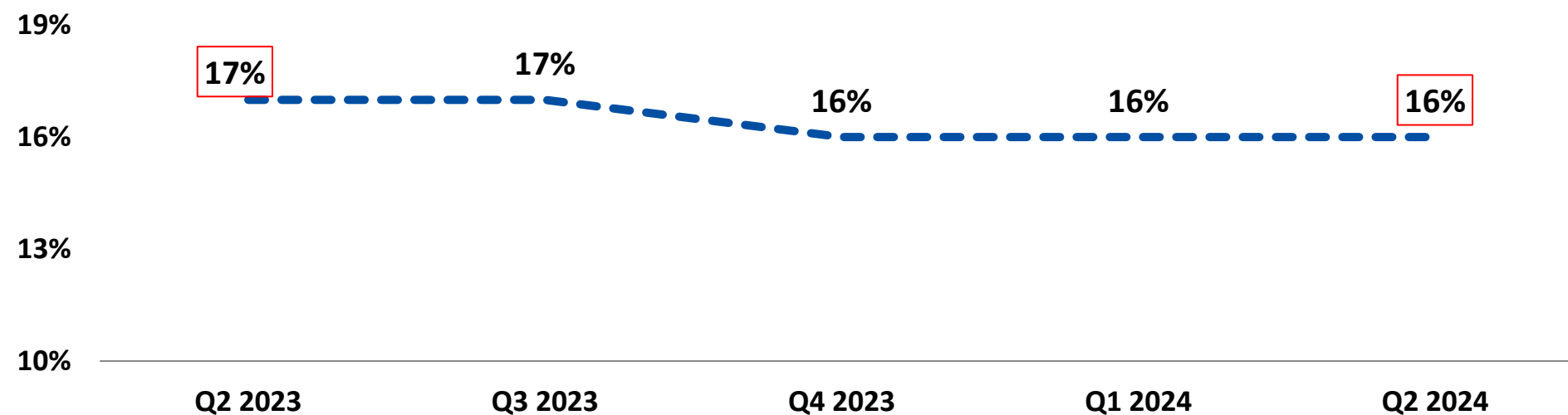


## Alumina Price Index (API): 16% of LME Price [US\$392/t]

LME Price Trend (US\$/t)



Alumina Price Index Trend (% of LME)





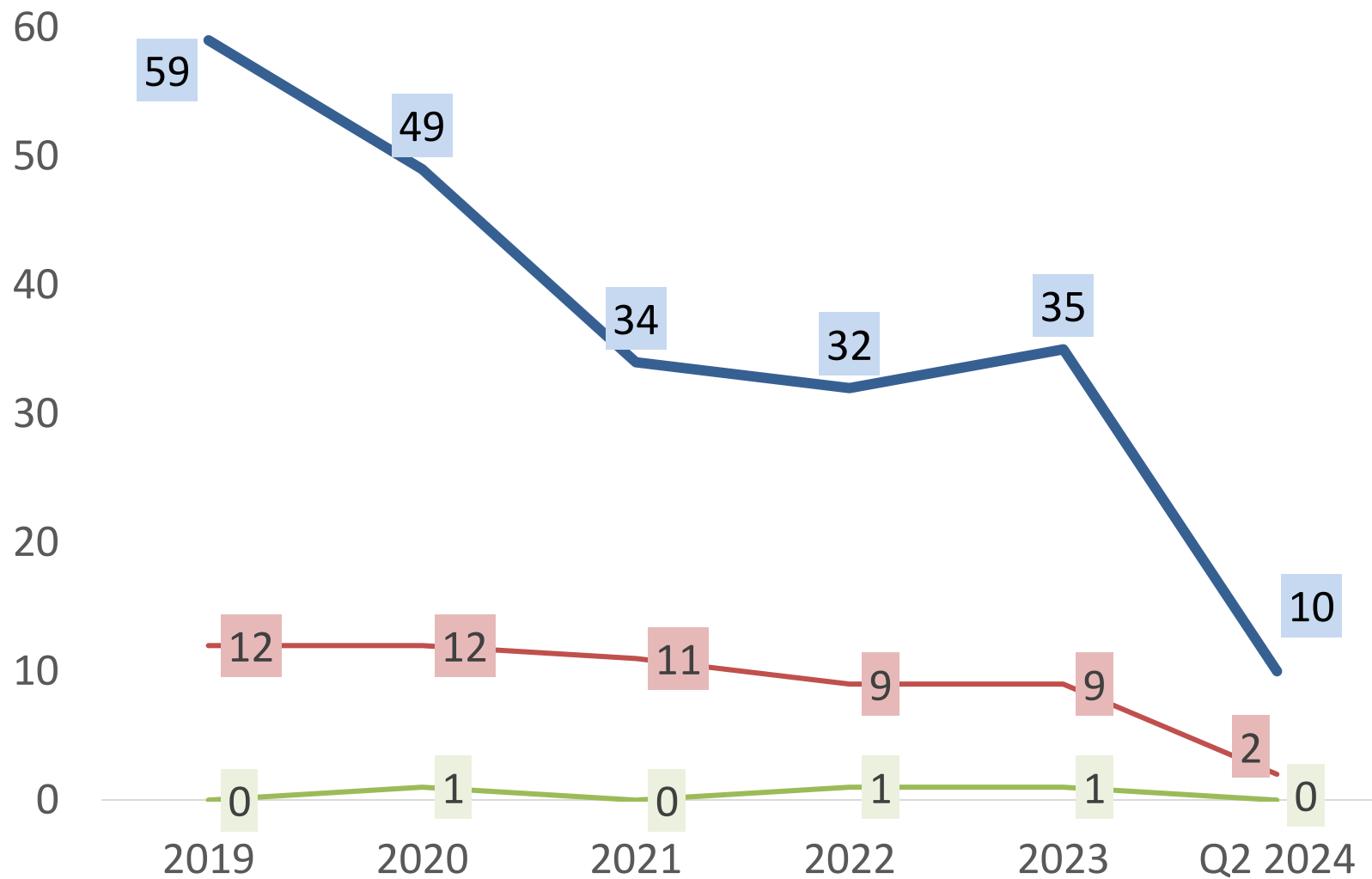


## 02

## ALBA HIGHLIGHTS<sup>1</sup>

<sup>1</sup> Alba Highlights relate to Alba official news which have been made public during Q2 2024

## Safety in Numbers



Total Injuries



Recordable Injuries



Lost Time Injuries







## Alba Celebrates ESG Achievements and Plans Future Course




### **Safety First. Safety Always**

-  Alba wins four Awards from the National Safety Council.

### **Empowering People**

-  Alba Signs cooperation protocols with the Company's two trade unions.
-  24 National Employees advance in Mechanical Engineering Programme at the University of Huddersfield (UK).



### **Leading the Way, Sustainable Aluminium Production**

-  Achieved First Fire of State-of-the-Art Gas Turbine for Power Station 5 Block 4 Project.
-  Soared to Top 1% Globally with EcoVadis Platinum Sustainability Rating.
-  Unveiled Low-Carbon Aluminium EternAl™ with two initial variants: EternAl-30 & EternAl-15 with a 30% and 15% recycled content.

### **Community Impact**

-  Donation of a robotic unit to Nasser Vocational Training Center's engineering program to enhance students' learning and skill development.

### **Building for Tomorrow**

-  Power Station 5 Block 4 Project in progress as planned.
-  Solar Farm progress as per schedule.









**eternAl**

**Alba's** low carbon aluminium product line with two initial variants: **EternAl-30** and **EternAl-15** with 30% and 15% recycled content

## ESG Journey by 2035



	Q2 2024	Q4 2024	Q2 2027*	2025-2027	2030	2035
	 <b>Alba Solar Farm</b>	 <b>Efficiency Upgrades</b>		 <b>Recycled Material</b>	 <b>Government Collaboration</b>	
<b>Initiative</b>	<b>6.23 MW</b> Solar Farm Capacity [Tender Awarded]	Commissioning Power Station 5 Block 4 & Retiring Older Power Stations  *Commissioning the 'New Replacement Line' & Retiring Lines 1-3		Remelting 15kMT - 30kMT of Secondary per Year	500-1,000 MW of Imported Grid Renewable Energy (offtake) with Public Tender Already Issued for 500 MW	





## Major Operational Highlights – Q2 2024

- 🌐 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].
- 🌐 Alba inks 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.

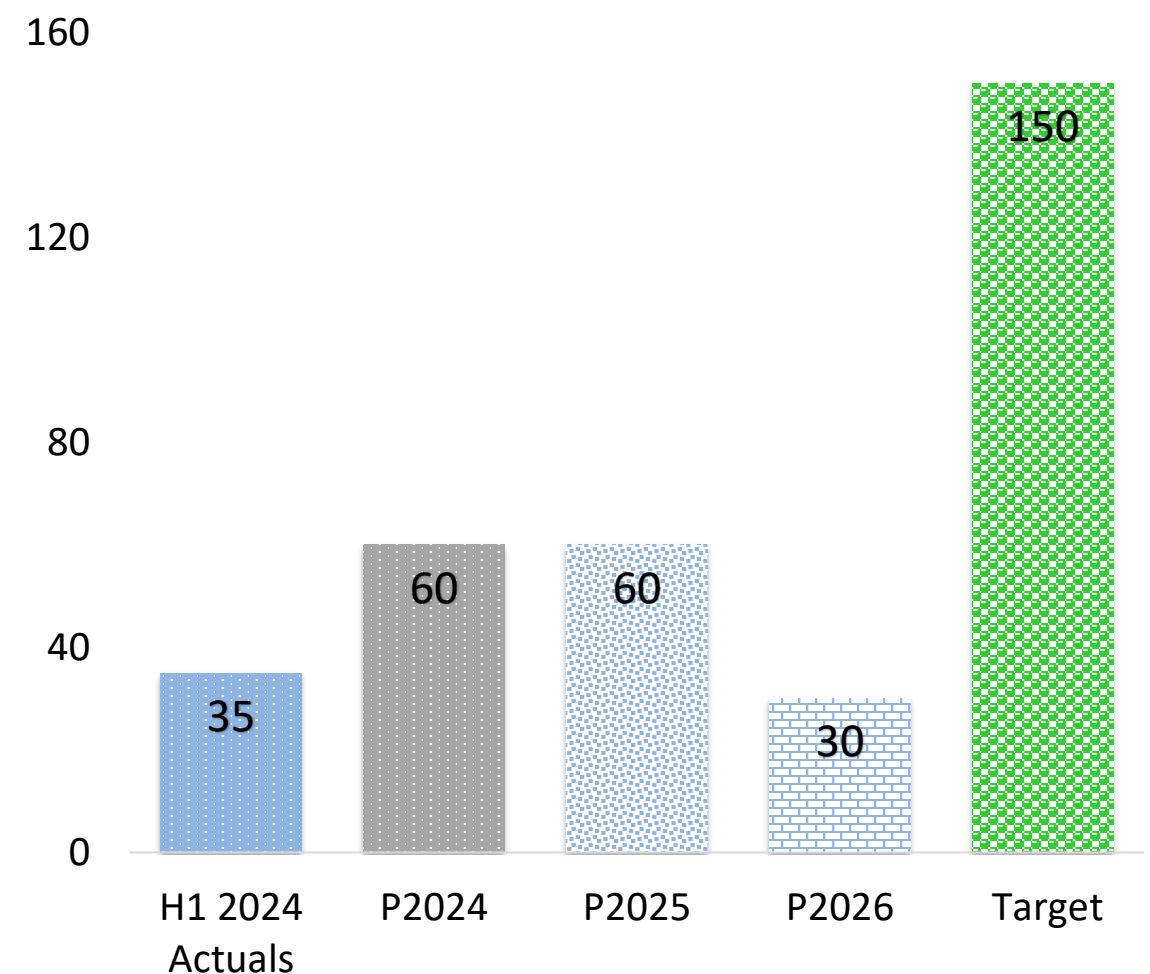
## e-Al Hassalah Programme (2024 – 2026)

**Description** A combination of **process improvement/optimization methods** and **Industry 4.0** focused to improve EBITDA  
[65% Bottom-up Projects/Ideas]

**Industry 4.0** Roadmap, Projects and business case evaluation and validation completed by the consultant

**Duration** **3-Year Program** from Jan'24 to Dec'26

e-Al Hassalah (US\$ Million)



## Financial Key Performance Indicators – Q2 & H1 2024

**EBITDA: Primarily driven by LME price & premiums**



**Q2: US\$289 million**  
up by 42% YoY

**H1: US\$469 million**  
up by 8% YoY

**Q2: US\$182 million**  
up by 129% YoY

**H1: US\$247 million**  
up by 20% YoY

**Free Cash Flow<sup>1</sup>: Impacted by changes in working capital**



**Q2: US\$145 million**  
up by 9% YoY

**H1: US\$245 million**  
up by 16% YoY



**Net Income: Boosted by higher EBITDA**

**Interim Cash Dividend**

**Fils 18.59 per share**

<sup>1</sup>Free Cash Flow excludes Project CAPEX spending



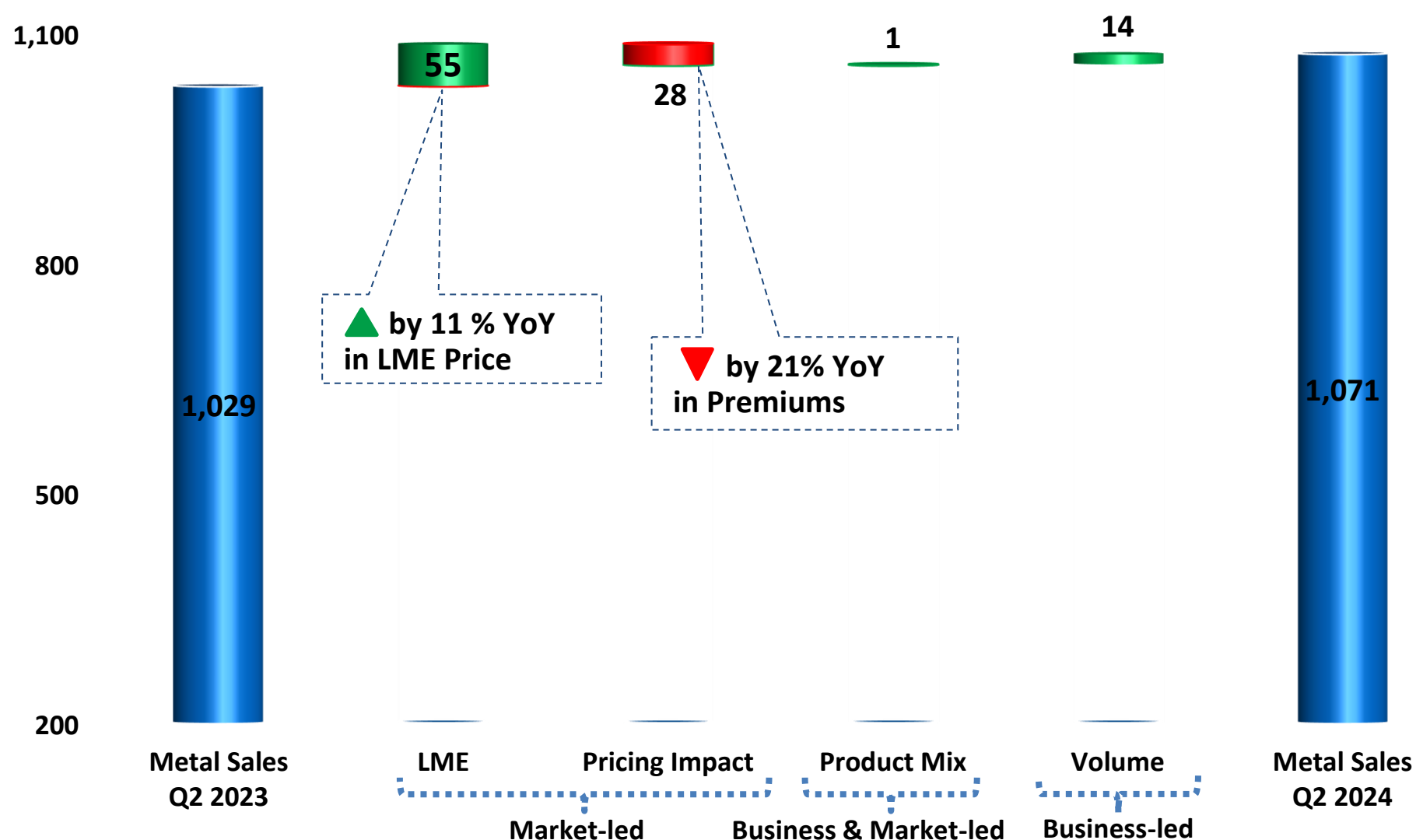
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## Q2 2024 RESULTS

## Macroeconomic Uncertainty Casts Shadow Over Aluminium Industry

Metal Sales See Uptick: LME Strength Counterbalances Lower Premiums

Metal Sales' Bridge (US\$M) – Q2 2024 vs. Q2 2023

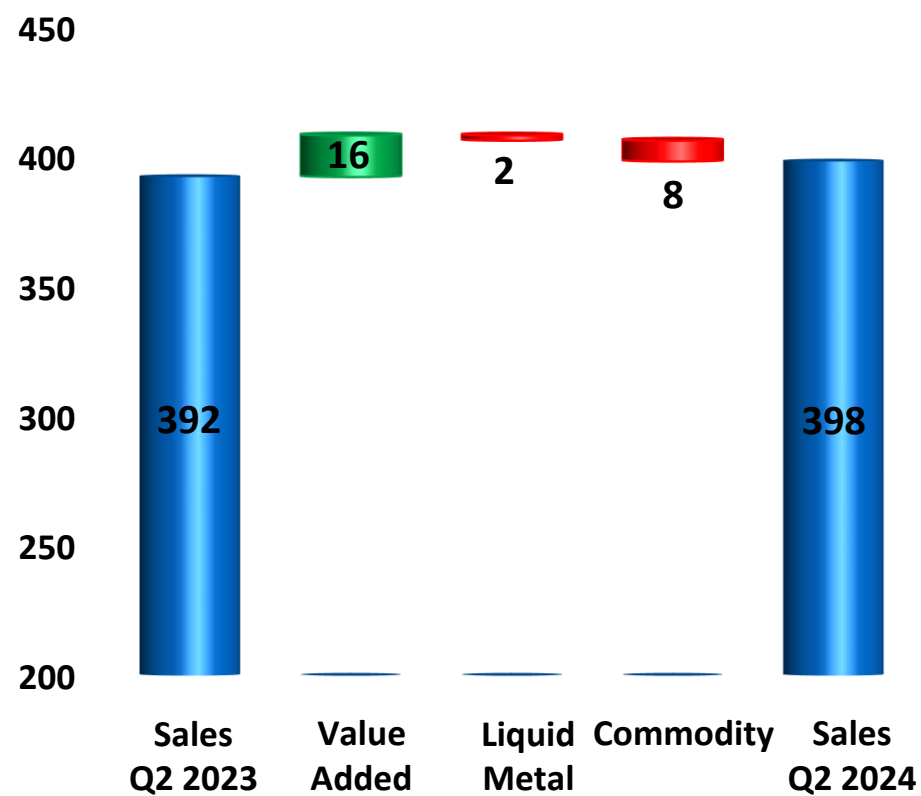




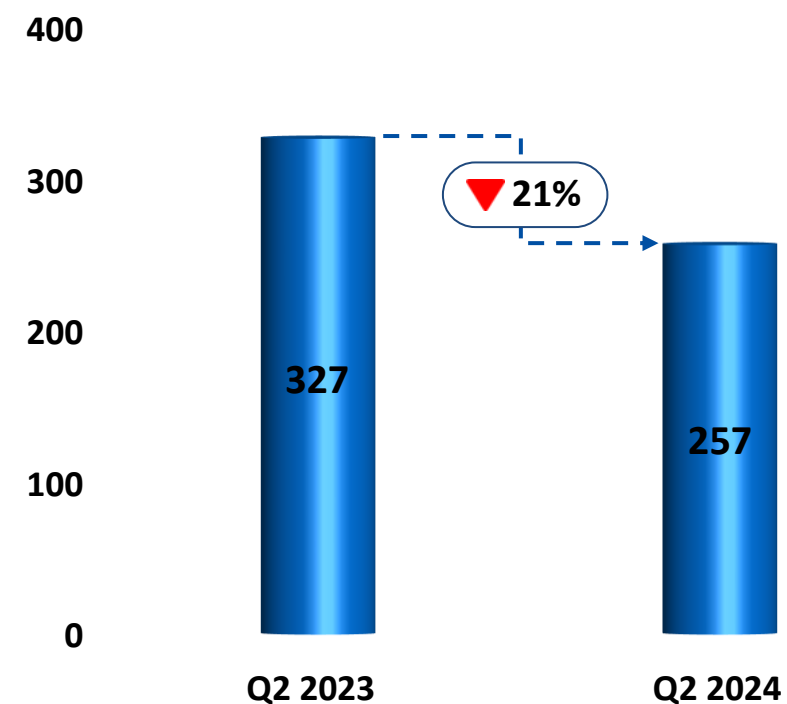
## Macroeconomic Uncertainty Casts Shadow Over Aluminium Industry

Higher VAP | Lower Liquid Metal | Lower Commodities' Volume

Sales by Product-Line Bridge (MT'000)  
Q2 2024 vs. Q2 2023



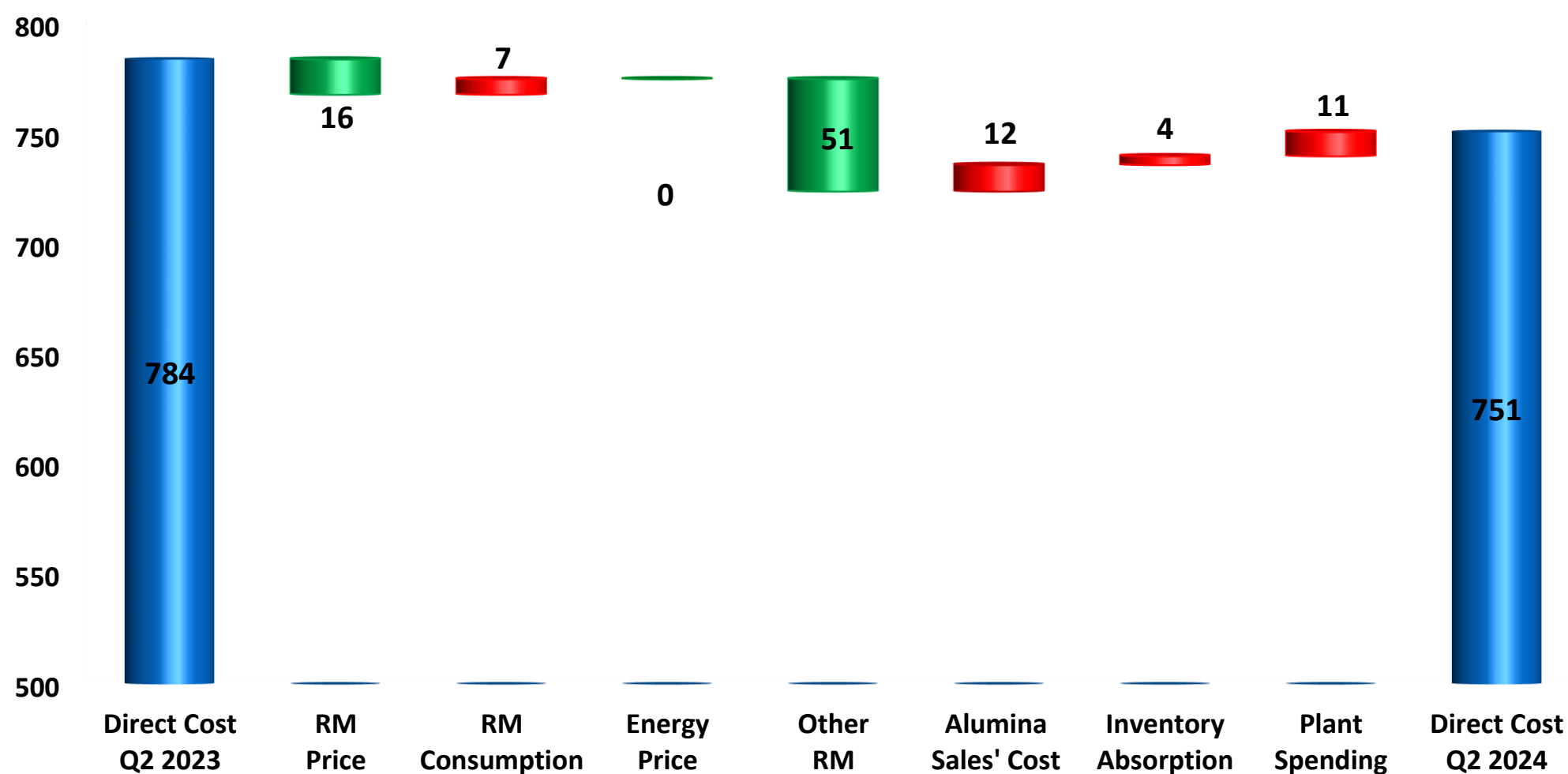
Premium Above LME Trend US\$ Per MT



## Macroeconomic Uncertainty Casts Shadow Over Aluminium Industry

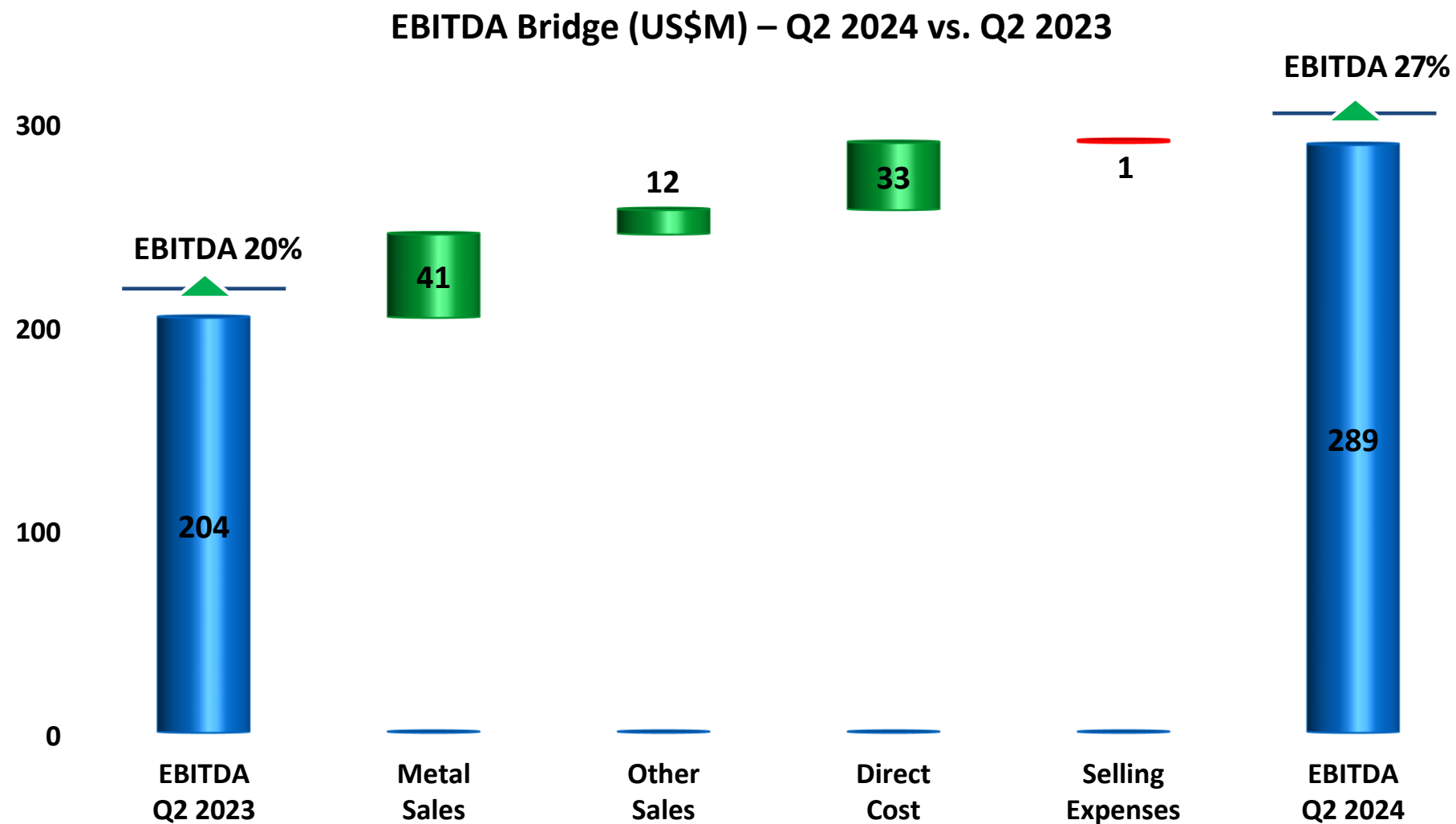
Lower Raw Material Prices Helped Control Direct Costs Despite Higher Costs in Other Areas

Direct Cost Bridge (US\$M) – Q2 2024 vs. Q2 2023



## Macroeconomic Uncertainty Casts Shadow Over Aluminium Industry

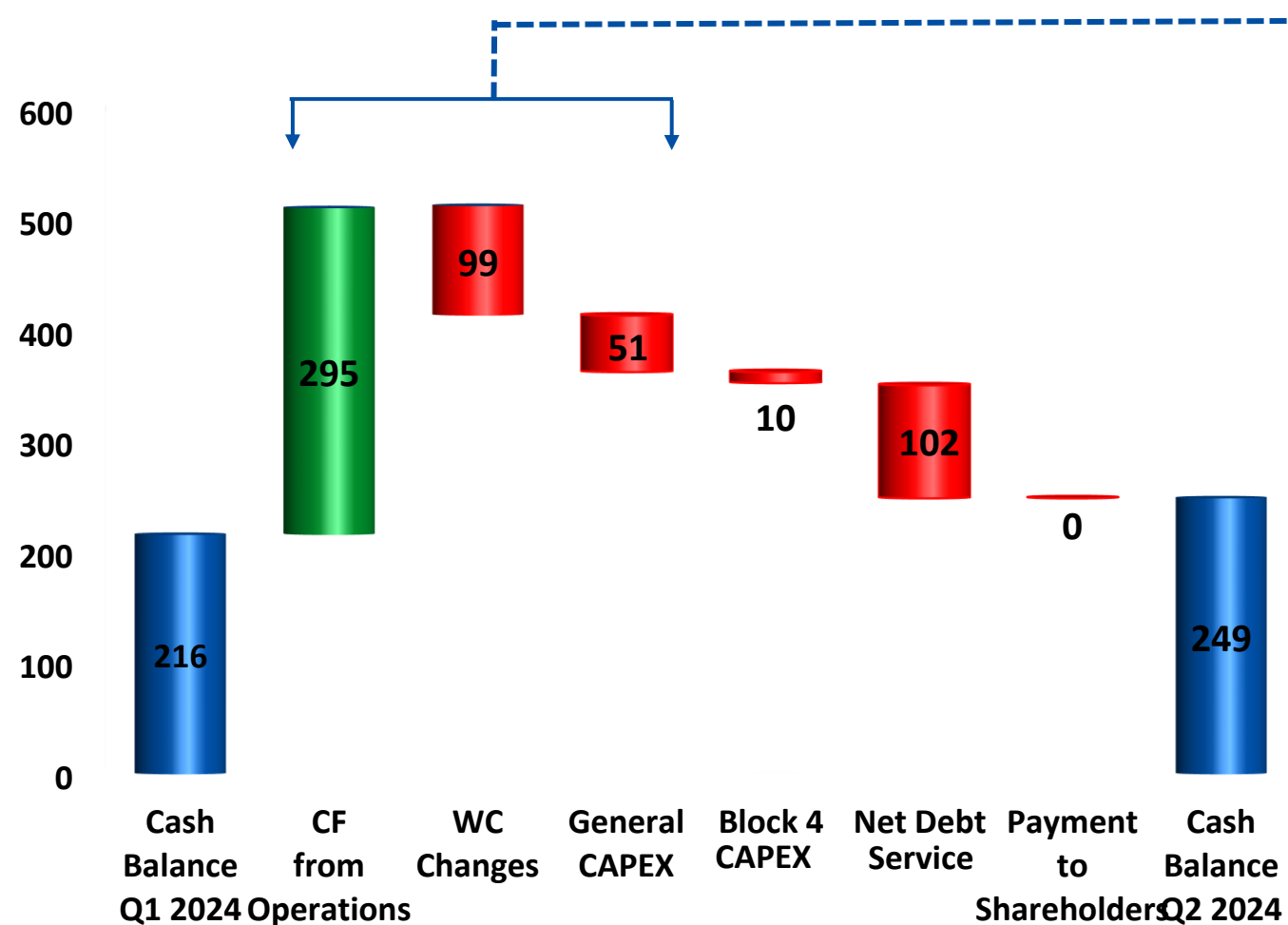
EBITDA Bridge Gap Analysis – Q2 2024 vs. Q2 2023  
Higher EBITDA Owing to Higher Metal Sales & Lower Direct cost



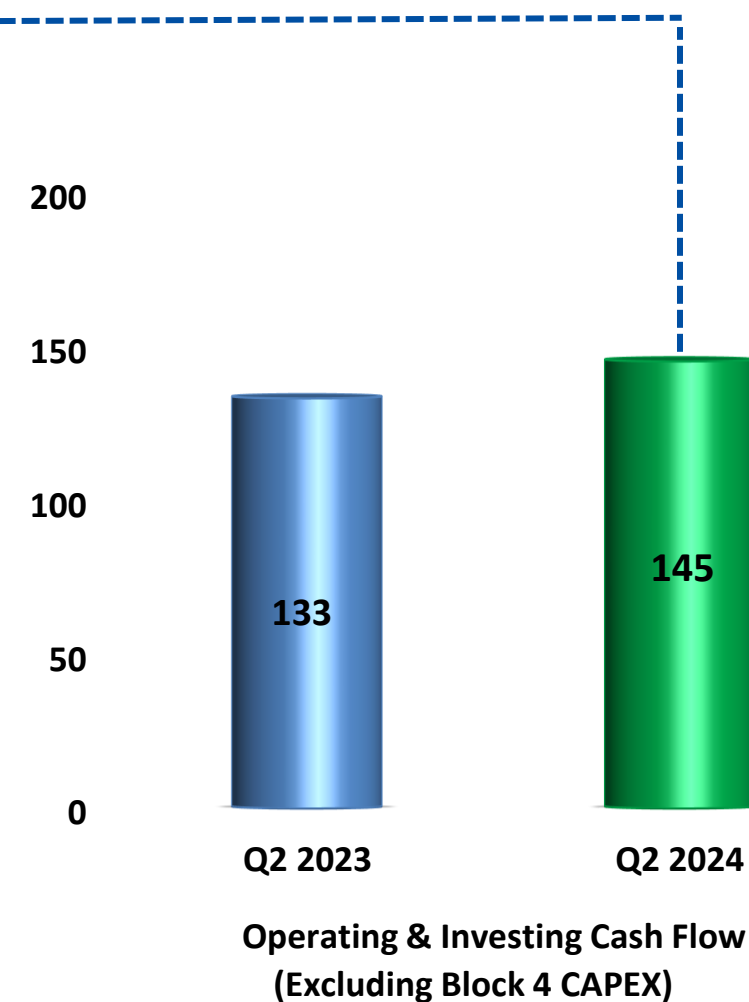
## Macroeconomic Uncertainty Casts Shadow Over Aluminium Industry

### Cash-Flow Bridge – Q1 2024 to Q2 2024








Q1 2024 to Q2 2024 Cash-Flow Bridge (US\$M)



Free Cash Flow (US\$M)



## Key Financial Performance Indicators

Particulars	Q2 2024	Q2 2023	H1 2024	H1 2023
 Revenue <sup>1</sup> (US\$M)	1,082	1,029	1,972	2,013
 EBITDA (US\$M) <i>EBITDA%</i>	289 <i>27%</i>	204 <i>20%</i>	469 <i>24%</i>	433 <i>22%</i>
 Profit (US\$M)	182	80	247	206
 Loss Unrealised Derivatives (US\$M)	(1)	-	-	-
 Adjusted Profit <sup>2</sup> (US\$M)	183	80	247	206
 AVG Cash LME (US\$/MT)	2,519	2,263	2,360	2,331
 AVG API <sup>3</sup> (US\$/MT)	392	374	377	364





# 04




## INDUSTRY PERSPECTIVES<sup>1</sup> IN 2024

## Aluminium Market Outlook: Uncertainties Cloud Short-Term Prospects

- 🌐 **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.
- 🌐 **Premiums Outlook:** Premiums are expected to stabilise in the short term before resuming an upward trajectory, driven by strengthening demand from 2025 and the implementation of the CBAM.
- 🌐 **LME Price Forecast:** Aluminium prices are anticipated to trade within a narrow range of US\$2,200/t to US\$2,400/t in the near term.

## Industry Perspectives in 2024

### Feedstock Trends ( $\text{Al}_2\text{O}_3$ , $\text{AlF}_3$ and GPC)

-  **Alumina Market** The Alumina Price Index (API) has reached its highest point since March 2022 driven by production disruptions in Australia and China's bauxite sourcing challenges. Outlook is bullish with API expected to remain high (US\$489) until 2024-end.
-  **Carbon Market:** Product prices (GPC, CPC, and Anodes) are anticipated to remain stable due to balanced supply and demand.
-  **Input Material Prices:** Driven by robust demand, aluminum fluoride prices are anticipated to persist at elevated levels. Conversely, liquid pitch prices are projected to maintain stability or experience a modest increase as producers counterbalance escalating tar prices.




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## 2024 ALBA PRIORITIES<sup>1</sup>

## Alba: 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 & achieve e-Al 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'.



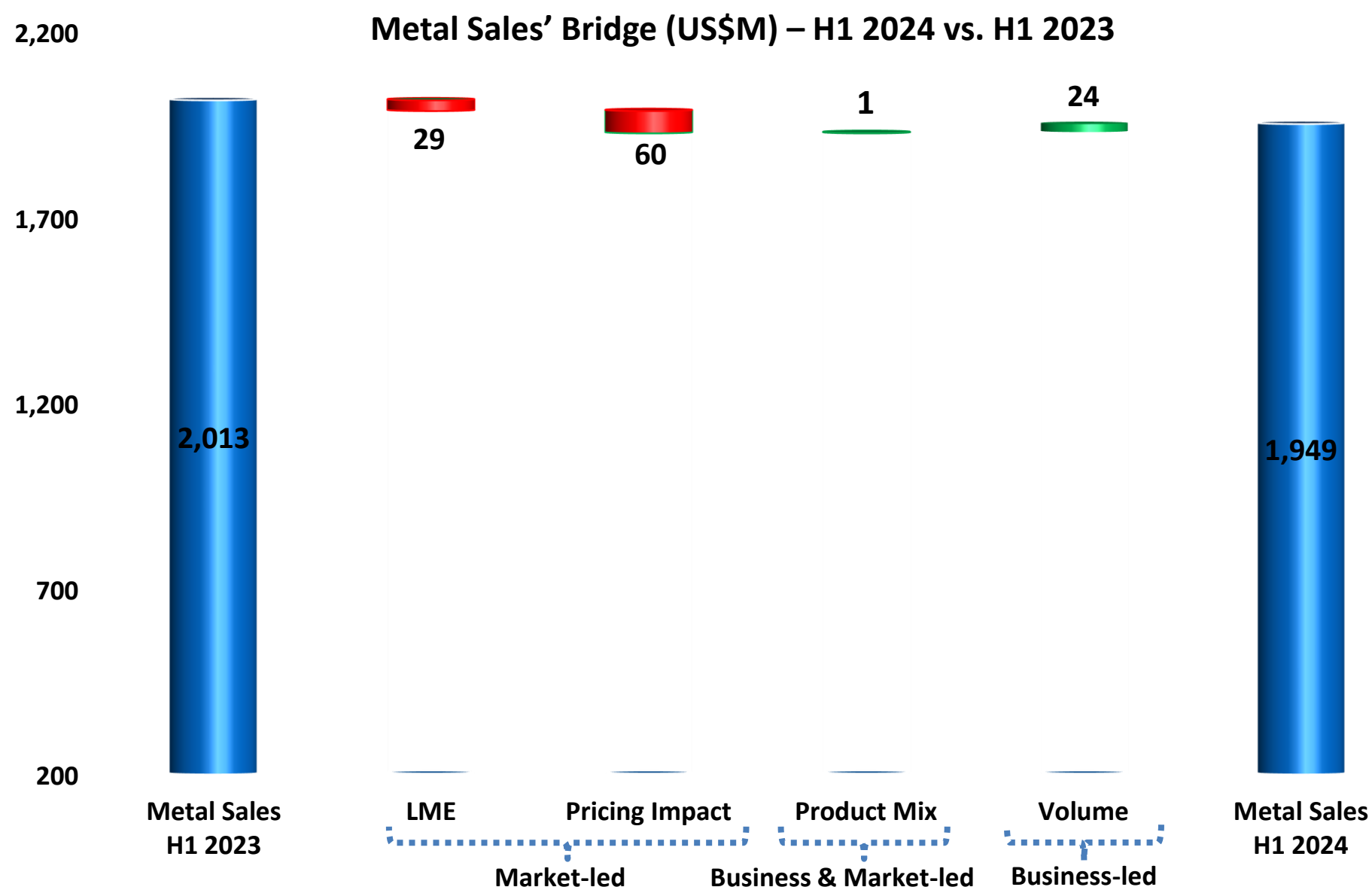


06

## APPENDIX (H1 2024)

## Macroeconomic Uncertainty Casts Shadow Over Aluminium Industry

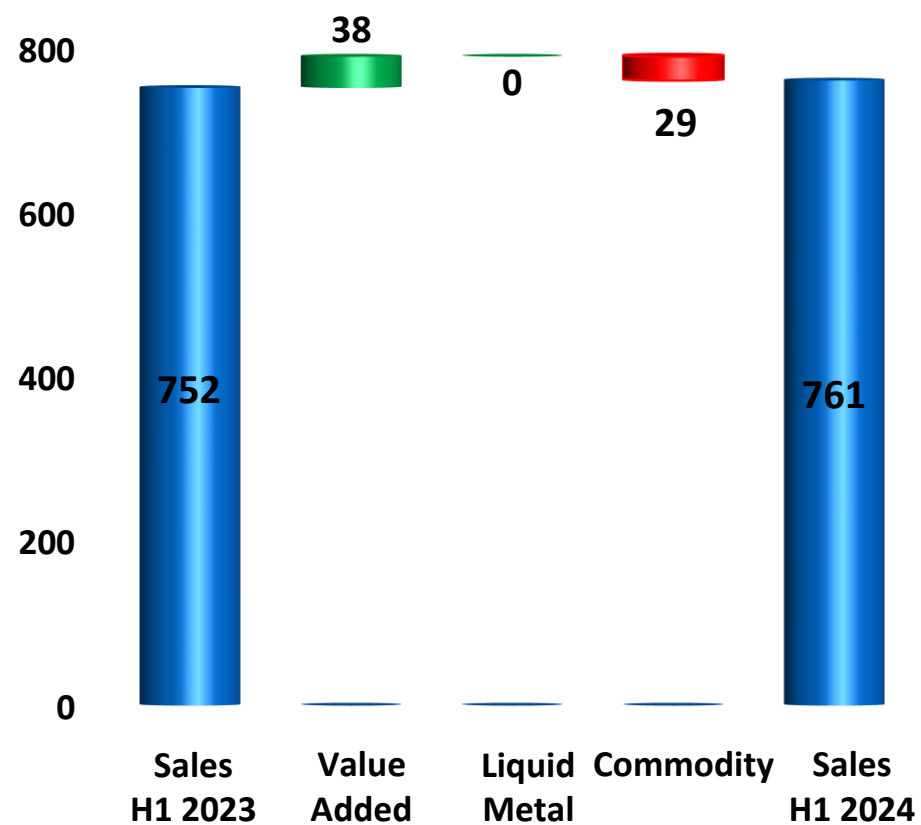
Lower LME Prices and Premiums Contracted Metal Sales, Partially Offset by Higher Volume



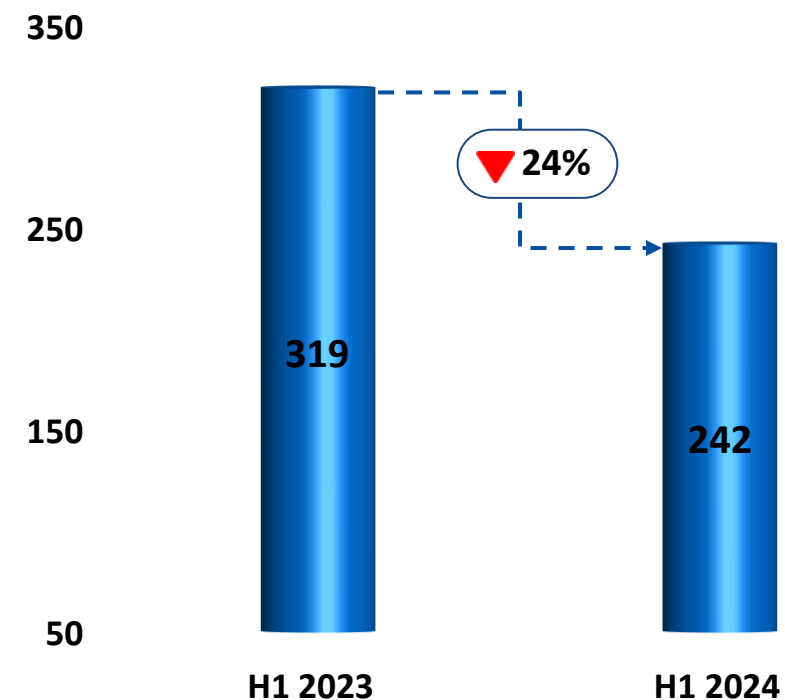
## Macroeconomic Uncertainty Casts Shadow Over Aluminium Industry

Higher VAP | Lower Commodities' Volume

Sales by Product-Line Bridge (MT'000)  
H1 2024 vs. H1 2023



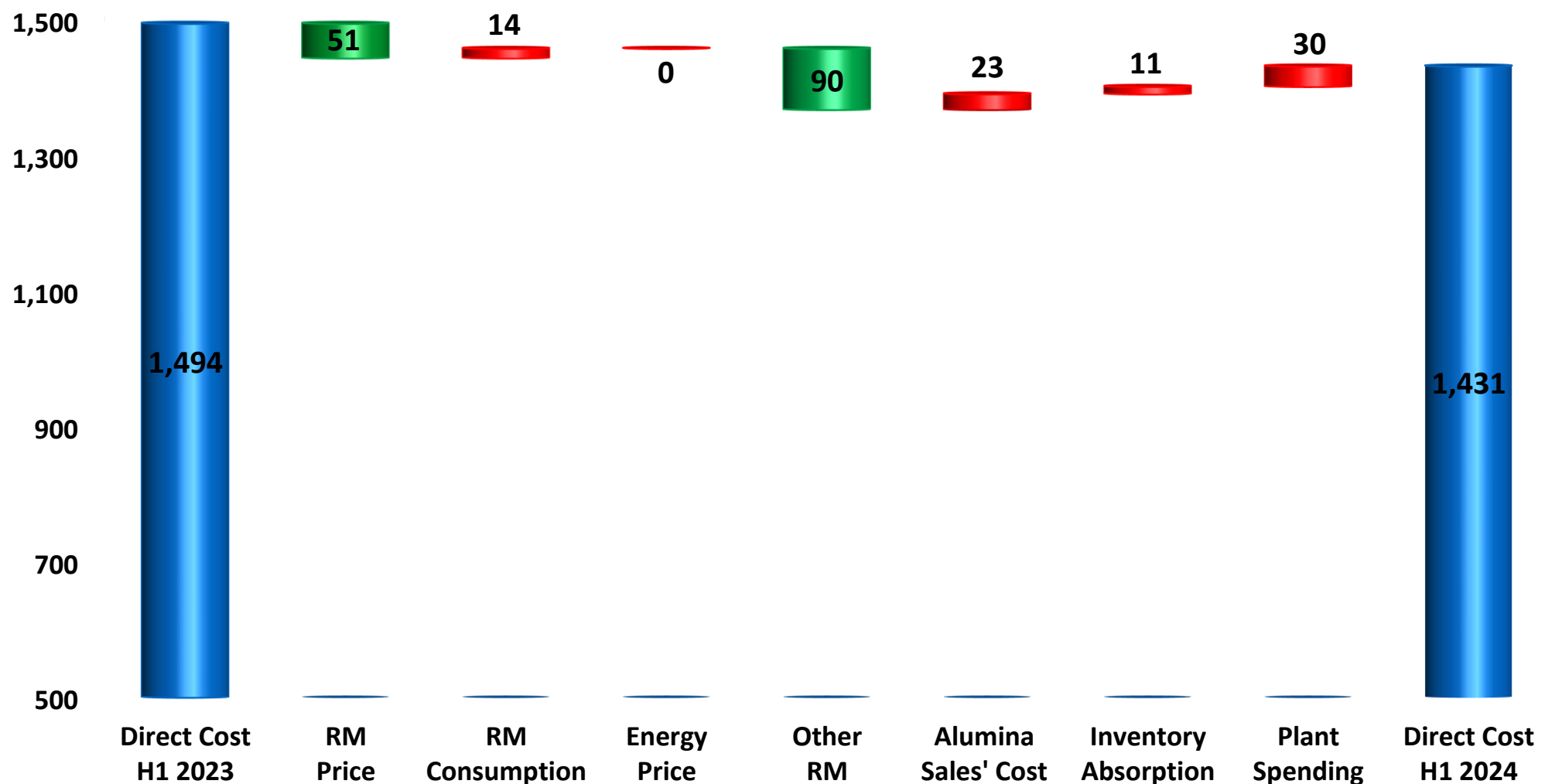
Premium Above LME Trend US\$ Per MT



## Macroeconomic Uncertainty Casts Shadow Over Aluminium Industry

Lower Raw Material Prices Helped Control Direct Costs Despite Higher Costs in Other Areas

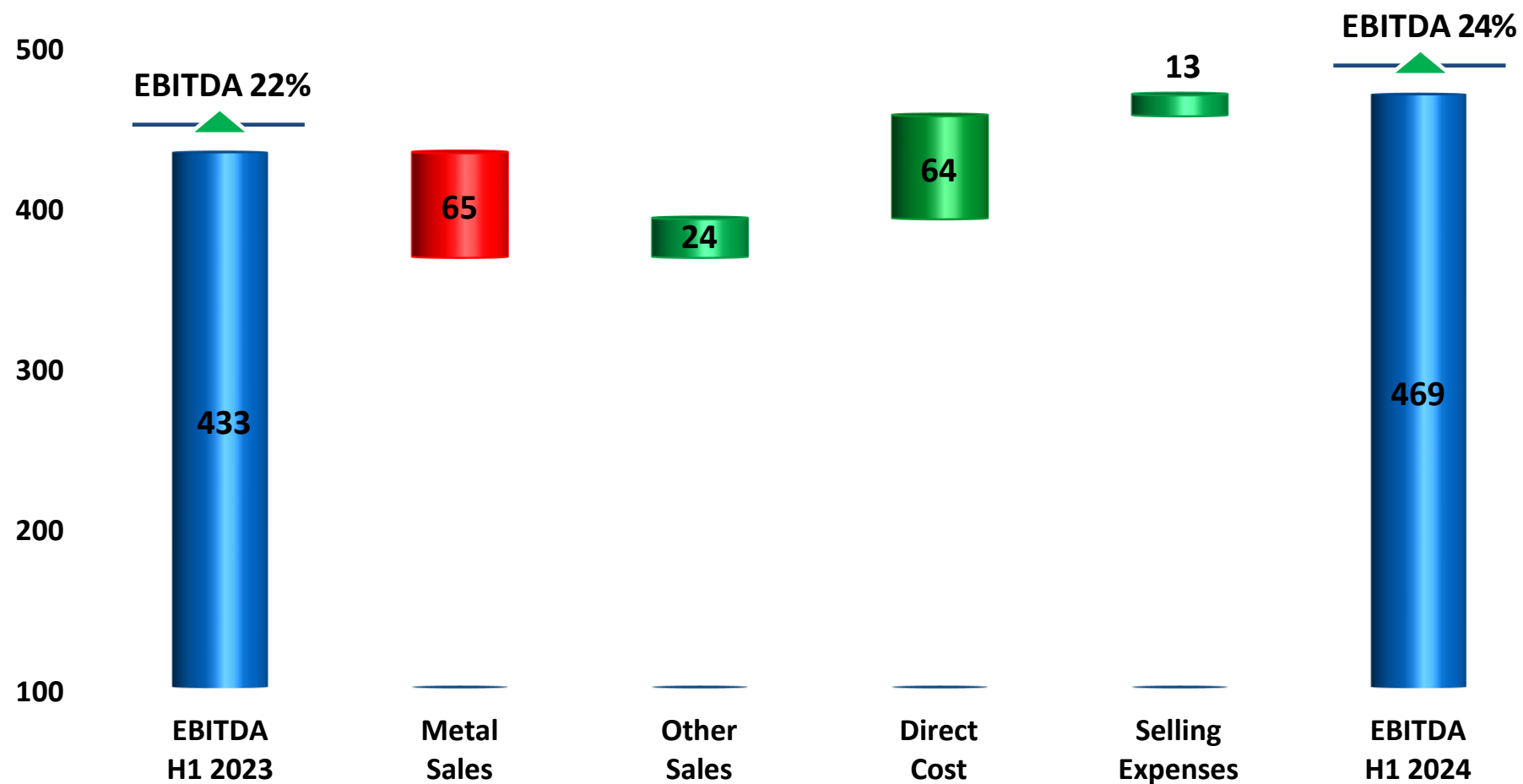
Direct Cost Bridge (US\$M) – H1 2024 vs. H1 2023



## Macroeconomic Uncertainty Casts Shadow Over Aluminium Industry

### EBITDA Bridge Gap Analysis – H1 2024 vs. H1 2023

#### EBITDA Bridge (US\$M) – H1 2024 vs. H1 2023



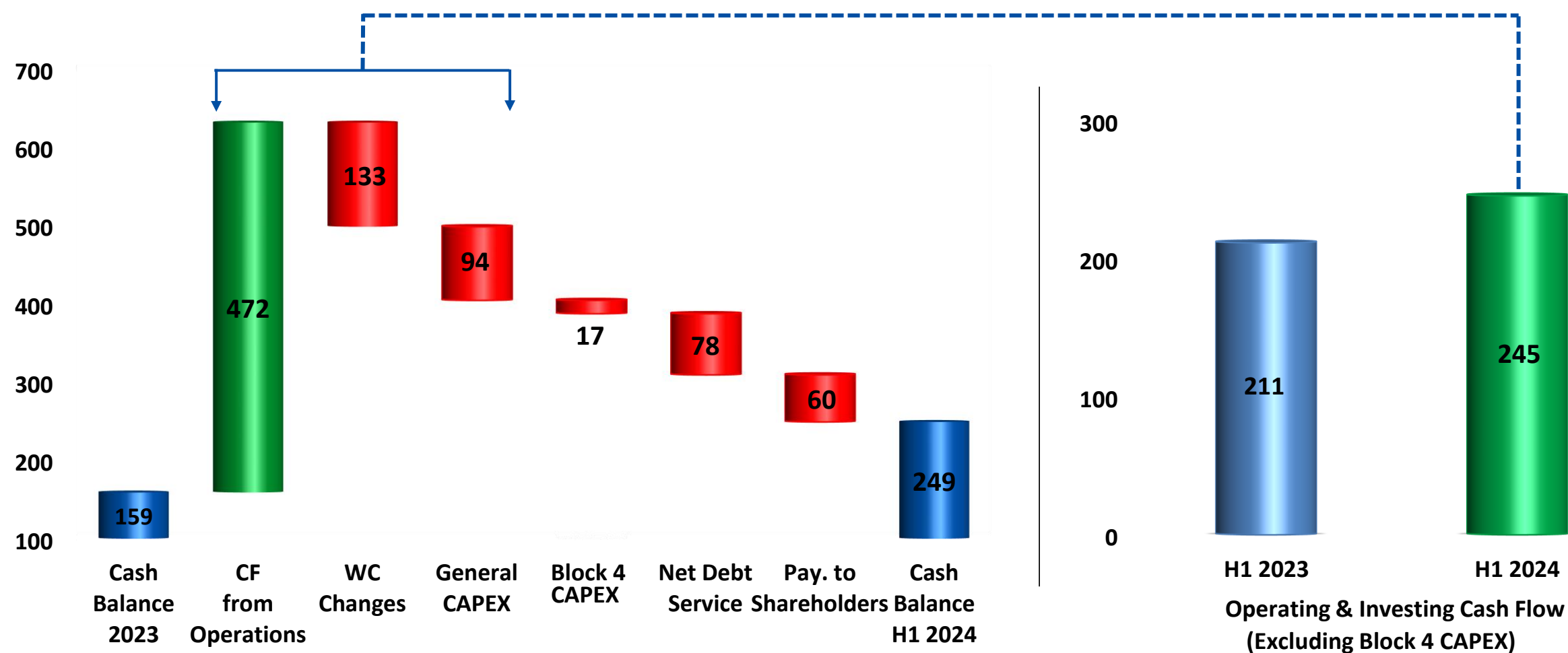


## Macroeconomic Uncertainty Casts Shadow Over Aluminium Industry

### Cash-Flow Bridge – FY 2023 to H1 2024

FY 2023 to H1 2024 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 and Global Depository Receipts (GDRs) on the London Stock Exchange – Alternative Investment Market
- Alba Ticker [BHB: ALBH, BD1.180 on 30 June 2024]

## CEO 2024 Objectives



### SAFETY MIRROR

مرآة  
السلامة

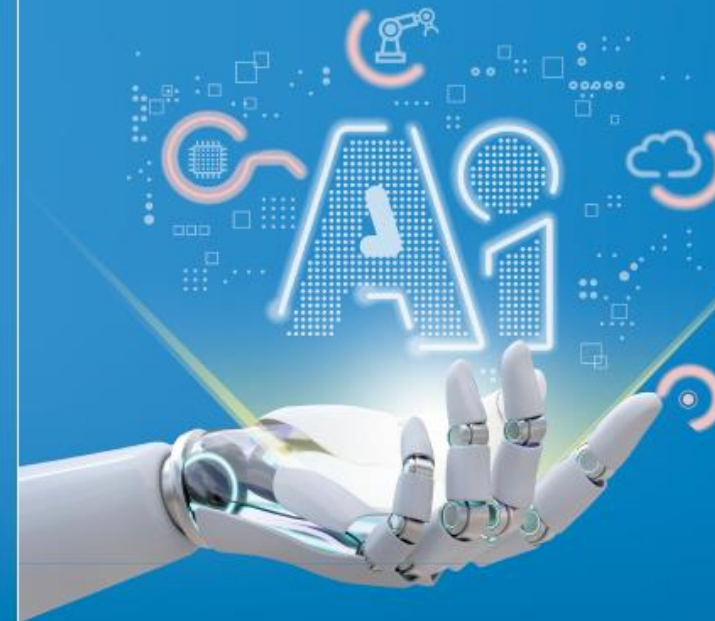


### STRATEGY REFRESH

تطوير  
الاستراتيجية



### e-AL HASSALAH الحصالة الرقمية



### UPSKILLING & RESKILLING

تعزيز وصقل  
المهارات





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