



## Alba Reports Q2 2018 Results

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 asked to read Alba's Interim Condensed Consolidated Financial Statements, as at 30 June 2018, 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](#).

Alba's results for the Second Quarter & First Half of 2018 are summarised below:

### Q2 2018 and H1 2018 Financial Performance

Alba's top-line and bottom-line for the second quarter and first-half of 2018 were primarily driven by higher sales volume, higher LME prices (an increase of 18% Year-over-Year (YoY)) and the impact of Line 5 recovery in Q2 2017.

The Company generated a Net Income of **BD 29.1 million (US\$ 77.4 million)** in the second quarter of 2018 versus BD 17.7 million (US\$ 46.9 million) for the same period in 2017, up by 65% YoY. With regards to Total Sales/Revenues, Alba reported **BD 244.0 million (US\$ 648.9 million)** in Q2 2018, up by 36% YoY, compared to BD 179.3 million (US\$ 476.9 million) in Q2 2017. Earnings per share (EPS) in this quarter were **fiils 21** versus fiils 12 in Q2 2017.

With regards to the first half of 2018, Alba's Net Income stood at **BD 63.0 million (US\$ 167.5 million)**, an increase of 46% YoY, compared to BD 43.3 million (US\$ 115.0 million) in H1 2017. Total Sales/Revenues reached **BD 465.2 million (US\$ 1,237.4 million)**, up by 26% YoY, compared to BD 369.7 million (US\$ 983.3 million). Earnings per share were **fiils 44** versus fiils 31 in H1 2017.

### Q2 2018 Industry Highlights

- Continued news of trade wars are unnerving the market; however, global physical demand remains healthy with world consumption up by **5% Year-over-Year (YoY)**. Consumption in



MENA surge by **+9% YoY** driven by major infrastructure spending in Saudi Arabia (**+20% YoY**). Demand in Asia up by **6% YoY** supported by Chinese consumption (**+6% YoY**) on the back of real-estate developments. Europe consumption up by **3% YoY** due to strong demand across building, construction and transport sectors. North America demand up by **3% YoY** driven by auto production (heavy-duty trucks).

- Global production down by ~ 0.5% YoY. Asian supply almost flat & Chinese supply down by **2% YoY** due to delays in smelters' ramp-up. Production in North America dropped by **5% YoY** due to outages in Warrick and Sebree smelters. World market in deficit with China (**-1,425 Kt**) & (**-959 Kt**) without China.
- Q2 2018 cash-average was **\$2,259/t** with LME ranging between \$1,967/t on April 6 and \$2,602/t on April 19.
- LME inventories at **1.1 million metric tonnes** in June 2018.

### Q2 2018 Alba Highlights

- Launch of Summer Safety Campaign 'Safety-Selfie'
- Production up by **23% YoY** (252,081 mt) while Sales volume up by **19% YoY** (249,595 mt); Alba Value-Added Sales averaged 60% of total shipments in Q2 2018
- Impact of higher Alumina prices
- The achieved benefits of Titan – Phase III are US\$ 81/MT
- Line 6 Expansion Project in progress:
  - Closed first part of 2nd tranche ECA-covered facilities (EUR 204.5 million)
  - Line 6 Smelter [overall progress > 61%]
  - Power Expansion Project [PS 5 & PDS overall progress: 63% & 91%]



## 2018 Alba Priorities

- Continued focus on Safety initiatives
- Deliver on Project Titan -Phase III [2018: 1 Million MT & US\$ 60/t]
- Leverage strong demand on Value-Added Sales
- Focus on future upstream opportunities
- Prepare for the start-up of Line 6
  - Close final part of 2ndECA-covered facility tranche
  - Award remaining packages within 2<sup>nd</sup> half of 2018

Commenting on Alba's sound financial performance in H1 2018, the Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa:

"Alba delivered a strong performance in the first half of 2018. As we are half-way through the year, we remain fully committed to achieve our targets on the Line 6 Expansion Project."

Alba's Chief Executive Officer, Tim Murray added:

"Safety continues to be our #1 priority as we move into the difficult summer months.

As we are facing many headwinds in the market in particular the impact of higher Alumina prices, we will be focused on our Project Titan Program as well as increase our production to offset the market challenges in the 2nd half of this year.

I also thank our people for working together on the same tune to make things happen."

Alba's Management will be holding a conference call on Wednesday July 25, 2018 to discuss Alba's financial performance for the Second Quarter & First Half of 2018 as well as outline the Company's priorities for the remainder of the year.