



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 asked to read Alba's Second Quarter and First Half 2020 Interim Condensed Consolidated Financial Statements which are posted at www.albasmelter.com.

Alba's official press release and full set of Financial Statements are also available on [Bahrain Bourse website](#).

Alba's Financial Results for the Second Quarter and First Half of 2020 are summarized below:

Alba Discloses its Financial Results for the Second Quarter and H1 of 2020

Q2 & H1 2020 Financial Performance

Aluminium Bahrain B.S.C. (Alba) (Ticker Code: ALBH), the world's largest aluminium smelter w/o China, has reported a **Loss of BD16.4 million (US\$43.6 million)** for the second quarter of 2020, an increase of 392% Year-over-Year (YoY) versus a Loss of BD3.3 million (US\$8.9 million) for the same period in 2019. The Company reported **Basic and Diluted Loss per Share of fils 12** versus Basic and Diluted Loss per Share of fils 2 for the same period in 2019. **The Total Comprehensive Loss** for Q2 2020 stood at **BD18.2 million (US\$ 48.4 million)** versus Total Comprehensive Loss for the second quarter of 2019 of BD 3.3 million (US\$ 8.9 million) – up by 446% YoY. **Gross Profit** for the second quarter of 2020 was **BD21.6 million (US\$57.6 million)** versus BD15.4 million (US\$40.9 million) in Q2 2019 – up by 41% YoY.

With regards to the First Half of 2020, Alba has reported a **Loss of BD10.6 million (US\$28.3 million)**, down by 44% YoY versus a Loss of BD19.1 million (US\$50.9 million) for the same period in 2019. For the First Half of 2020, Alba reported **Basic and Diluted Loss per Share of fils 8** versus Basic and Diluted Loss per Share of fils 14 for the same period in 2019. Alba's Total Comprehensive Loss for H1 2020 was **BD19.8 million (US\$52.7 million)**, up by 4% YoY, compared to a Total Comprehensive Loss of BD19.1million (US\$50.9 million) in H1 2019. **Gross Profit** for the First Half months of 2020 was **BD55.2 million (US\$146.8 million)** versus BD16.2 million (US\$43.2 million) in H1 2019 – up by 241% YoY.



Total Equity as at 30 June 2020 stood at **BD1,057.1 million (US\$ 2,811.5 million)**, down by 2%, versus BD1,078.6 million (US\$2,868.6 million) as at 31 December 2019. Alba's **Total Assets** as at 30 June 2020 topped **BD2,380.7 million (US\$6,331.7 million)** versus BD2,420.2 million (US\$6,436.8 million) as at 31 December 2019 - down by 2%.

With regards to the **Revenue from Contracts with Customers** in the second quarter of 2020, Alba generated **BD244 million (US\$649 million)** versus BD245 million (US\$651.8 million) in Q2 2019 - down by 0.4% YoY. For the First Half of 2020, total Revenue from Contracts with Customers reached **BD519.9 million (US\$1,382.9 million)**, up by 16% YoY, compared to BD448.6 million (US\$1,193 million) for the same period in 2019.

Alba's top-line was driven in the second quarter of 2020 by higher metal Sales' volume thanks to Line 6 and impacted by lower LME price [down by 17% Year-over-Year (US\$ 1,494/t in Q2 2020 versus US\$ 1,793/t in Q2 2019)] while the bottom-line was impacted by higher depreciation and financial charges.

Q2 2020 Industry Highlights

- The global spread of COVID-19 pandemic has disrupted the world's economy. Governments' strategies have been focused to contain the spread of COVID-19 from restricting travels to closing public services and limiting industrial activity. Commodities have taken the hardest hit and Aluminium supply-chain is not an exception.
 - **World Consumption down by 9% Year-over-Year.**
 - World ex-China has seen the largest-ever decline in Aluminium consumption [a drop of 28% YoY].
 - COVID-19 pandemic takes its toll on Aluminium demand in major markets: a drop of 35% in US, 30% in Europe & 22% in MENA.
 - Chinese economy has been recovering from the pandemic-driven shutdown thanks to the government's stimulus measures which has led to 5% YoY growth in Aluminium demand [mainly via a rebound in construction and auto sectors].
- **Global Production** witnessed a **modest growth of 1% YoY**. Primary Aluminium production in MENA continues - up by 25% YoY [mainly on the back of Alba's Line 6 metal]. US manufacturing continues with production in North America up by 5% YoY. Better Shanghai Futures Exchange (SHFE) prices has led the Chinese supply to grow by 2% YoY. Europe supply down by 3% YoY due to COVID-19 disruptions to the Aluminium downstream. This has led the world market to be in surplus with China (+445Kt) and (+1,622Kt) without China.
- LME inventories at **~1.6 million MT** as of June-end (**up by 66% YoY**). LME-Cash averaged US\$1,494/t (down by 17% YoY) and the Physical premium prices continue to be under downward pressure.



Alba Safety Highlights amidst COVID-19

- Ongoing liaison with COVID-19 Bahrain National Team to ensure our People's Safety - Employees and Contractors.
- Remote work from home continues for most of office/admin employees (men & women).
- Adoption of social distancing & adjusting shifts' schedule to minimize exposure risk.
- Restricting travels and embracing virtual meetings in-house and with external visitors.

Q2 2020 Alba Highlights

- Achieved on 29 June 2020: 23 million working-hours w/o LTIs for the first time in Alba's commercial operations.
- 7-year winning streak with Gold Medal Health & Safety Award from the Royal Society for the Prevention of Accidents (RoSPA).
- Alba was honoured with British Safety Council's International Safety Award with Merit – 2020.
- Successful set-up of the Fish Farm at Alba Calciner & Marine Operations.
- Sales' volume topped 390,750 metric tonnes (MT) - up by 25% YoY while Production reached 378,558 MT - up by 24% YoY.
- Value Added Sales averaged 34% of the total shipments.
- Titan – Phase IV achieved savings were US\$74 million against 2020 Target of US\$100 million.
- Release of 2019 Sustainability Report (4th edition).
- Spent Pot Lining (SPL) Treatment Plant in progress (overall progress exceeded 21%).

2020 Alba Priorities

- Continued Focus on 'Safety Globe' Initiative. Keep our People (Employees & Contractors) Safe Amidst Novel COVID-19.
- To achieve 2020 Production Target of 1,540,000 MT.
- Deliver on Project Titan - Phase IV [Projected Savings of US\$ 100 Million by 2020-end].
- Screen for Upstream Opportunities to Secure Alumina requirements.
- Obtain Value-Added Sales' Qualification with Aluminium Stewardship Initiative (ASI) and Ecovadis certifications.
- Complete SPL Treatment Plant and Port Upgrade as per Timeline.

Commenting on Alba's financial performance for the second quarter of 2020, the Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa stated:

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“As COVID-19 unfolds, we continue to focus on adapting to the new life norm and keeping our people safe as we navigate together through this crisis.

Despite the challenging market conditions, we are unlocking our strength as we aim to close 2020 by meeting our Production Target of 1,540,000 metric tonnes.”

Adding further, Alba’s Chief Executive Officer, Ali Al Baqali said:

“Today, the world is going through radical transformation and the Aluminium industry is not an exception. Despite the odds, we have been able to maintain a stable performance by delivering on our commitments.

In the face of this crisis, we choose to get better by capitalising on our Safety culture and operational resilience which has led us to achieve more than 24 million safe working-hours without LTI as of to-date.”

Alba Management will hold a conference call on Monday 27 July 2020 to discuss Alba's financial and operational performance for Q2 2020 as well as outline the Company's priorities for the remainder of this year.