



# INVESTOR RELATIONS PRESENTATION

2020



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# 01

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



## Industry Highlights – 2020

### Global Demand in Pause Mode as World Absorbs Impact of COVID-19

The global COVID-19 pandemic has forced short to medium-term challenges for all countries around the world while lockdowns casted potholes for major markets' recovery. The political and economic response to COVID-19 has raised further emphasis on ESG issues and given voice for stimulus packages to be green

- 🌐 The ripple effects from COVID-19 outbreak along with the subsequent control measures have seen the world market demand easing to 62.2 million metric tonnes (MT) – down by 4% Year-over-Year (YoY)
- 🌐 COVID-19 outbreak continues to take its toll on Aluminium demand in major markets. A double-digit drop in consumption -- 14% YoY in North America and Middle East, 13% YoY in World ex-China, and 12% YoY in Europe
- 🌐 China closed 2020 with a modest improvement as its economy resumed its activity to pre-COVID-19 capacity utilization [a 4% YoY increase in demand]





## Industry Highlights – 2020

### Global Production – Modest Growth at 2%

- 🌐 China: a net importer of aluminium for 1<sup>st</sup> time since 2009 owing to government stimulus packages --> which helped to reduce metal surplus outside China
- 🌐 Manufacturing activity in US continues at a steady pace with North America supply up by 5% YoY
- 🌐 Thanks to Alba's Line 6 Expansion Project, production in Middle East surged by 3% YoY amidst 2% supply cuts in UAE
- 🌐 Europe output dropped by 1% YoY owing to shockwaves caused by COVID-19
- 🌐 2020 left the Aluminium value-chain with a structural surplus: World market in surplus with China (+2.6 million MT) and without China (+3.4 million MT)

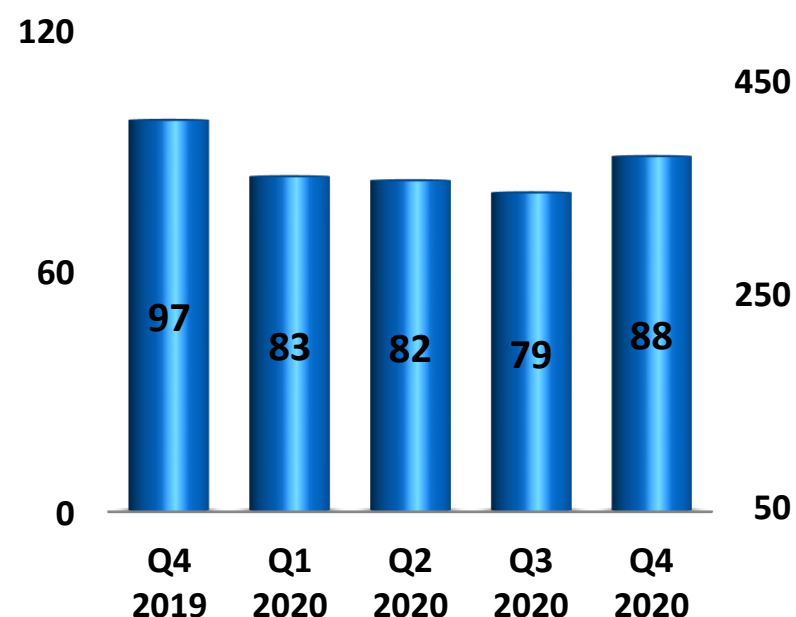


## Industry Highlights – 2020

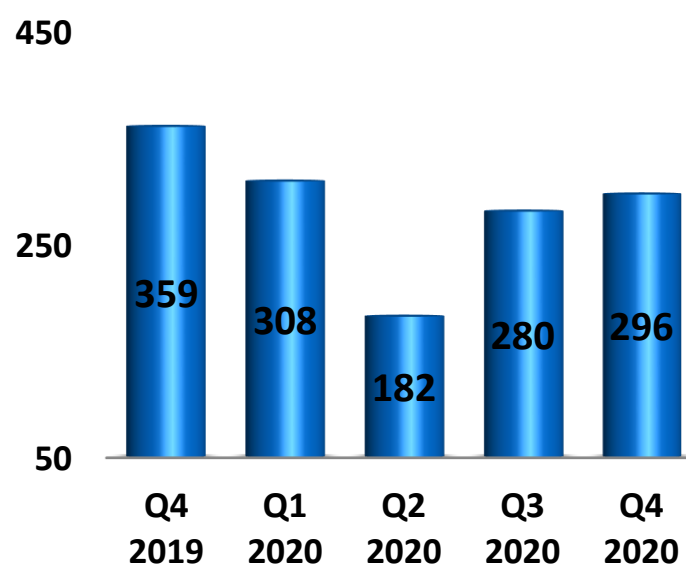
### LME & Premiums

- LME inventories at ~1.3 million MT by end-2020 (versus ~1.4 million MT in 2019)
- LME-Cash averaged US\$1,702/t - down by 5% YoY [lowest: US\$1,421.5/t on 8 Apr'20 and highest: US\$2,051.5/t on 2 Dec'20]
- Premiums up in US, Europe and Japan supported by higher freight costs

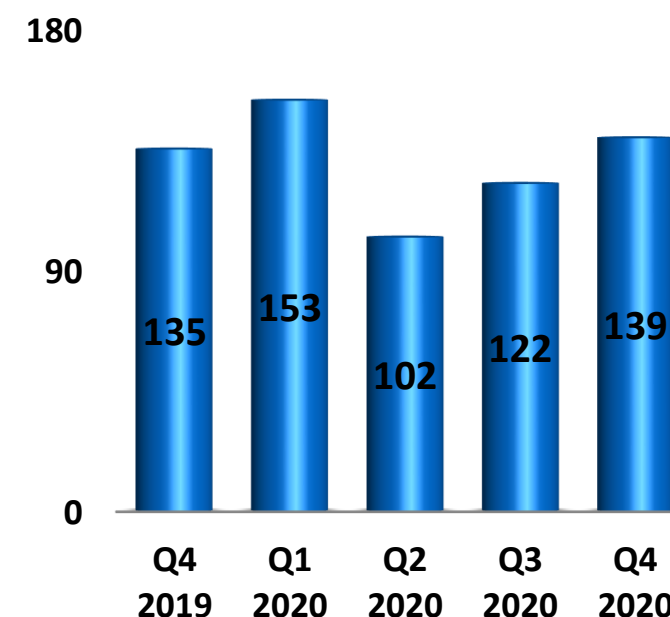
Major Japanese Ports (MJP<sup>1</sup>)



US Midwest



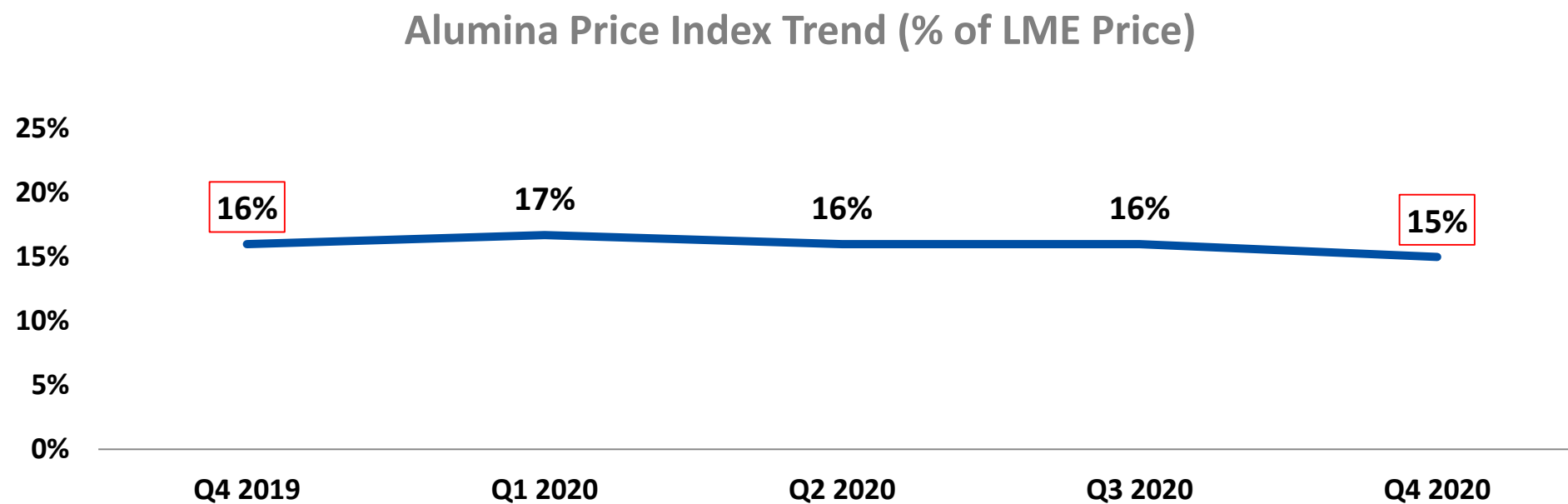
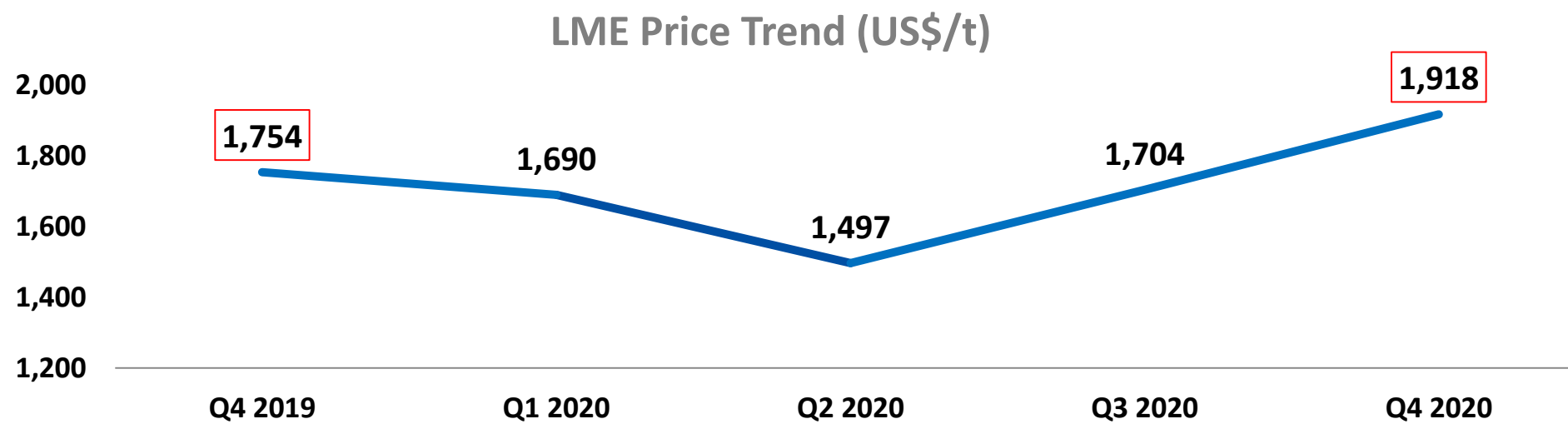
DDP Rotterdam



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

## Industry Highlights – 2020

Alumina Price - 15% of LME Price [US\$282/t]







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



## Alba Highlights – 2020

#Commit4Bahrain

### Safety Highlights Amidst COVID-19

- Strong emphasis on 'Safety First, Safety Always' with the launch of Safety Voice virtual campaign on 2 Nov'20
- Alba closed 2020 with 6 million safe working-hours despite the unfortunate LTI on 3 Aug'20
- Working diligently with the National Taskforce for combatting COVID-19 to ensure our People's Safety
- Giving back beyond Alba via various focused-initiatives in the local community (sanitization, face masks distribution, etc.) to lessen COVID-19 impact
- Enabling remote work from home for soft departments (men and women)
- Alba ranked FIRST for second year in a row on Environmental, Social and Governance (ESG) amongst companies in Bahrain by ESG Invest

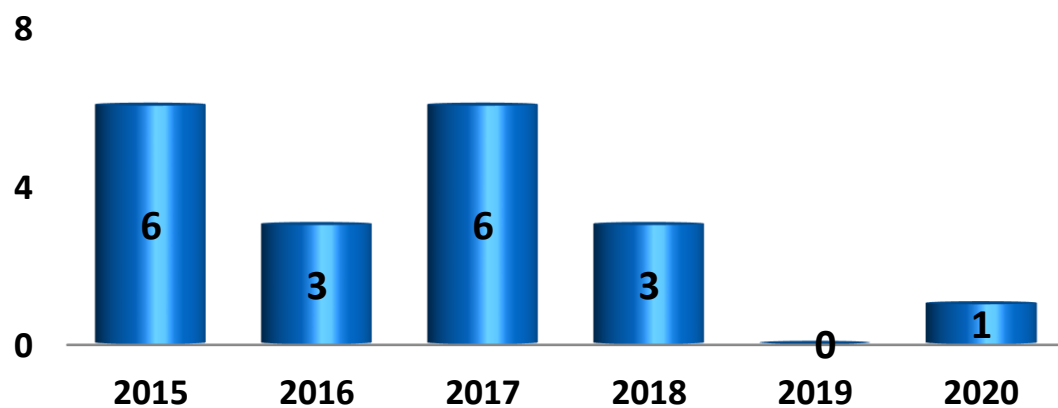


## Alba Highlights – Think Safety First & Always

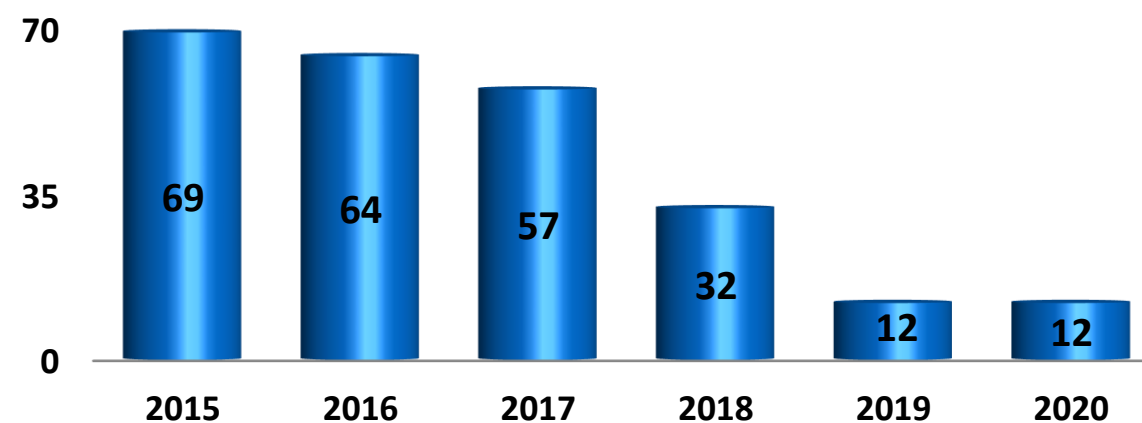
ecovadis

asi Aluminium  
Stewardship  
Initiative

Lost Time Injury (LTI) Trend



Total Recordable Injuries



**Maintain  
caution**

الحملة الوطنية  
لمكافحة  
فيروس كورونا  
(COVID-19)

مملكة البحرين  
KINGDOM OF BAHRAIN

**Vaccinate**







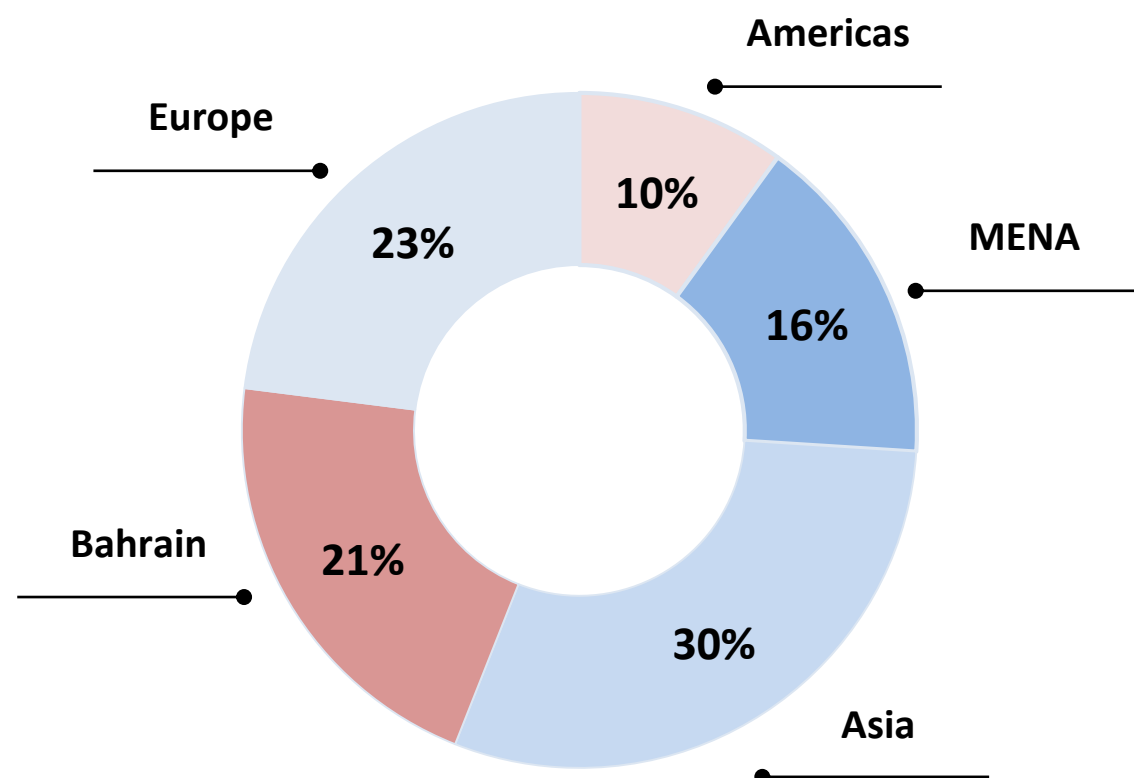
## Alba Highlights – 2020

### Operational Highlights & Milestones

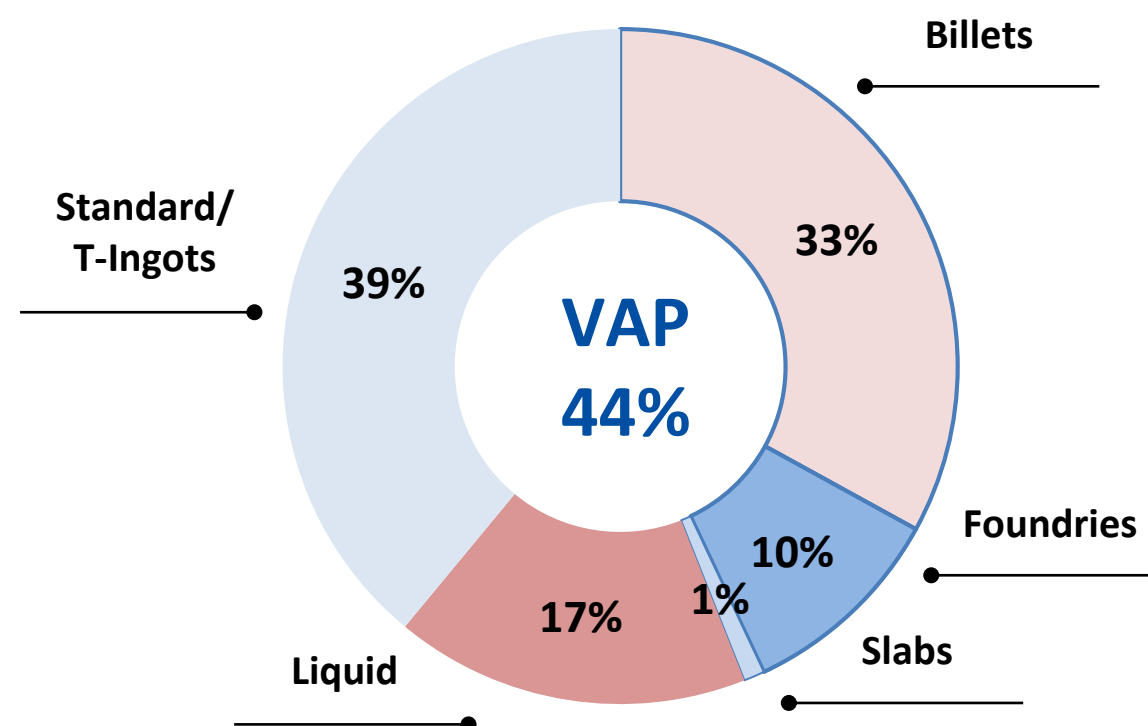
- 🌐 People-Focused: rolling-out 'Al Jisr' Programme -- a new Training and Development initiative to build supervisory skills for national workforce on 01 Nov'20
- 🌐 Alba inked MoU with Hangzhou Jinjiang Group Co. Ltd (HJJ) to explore future upstream development opportunities
- 🌐 Strong operational performance: Sales' volume up by 14% YoY to 1,540,983 metric tonnes (MT), Production up by 13% YoY to 1,548,500 MT while VAP Sales averaged 44%
- 🌐 Growing presence in Asia with establishing a Branch in Singapore
- 🌐 Successful completion of Port Upgrade project
- 🌐 Spent Pot Lining (SPL) Plant: overall progress exceeded 60% as of 31 Dec'20
- 🌐 Line 6 Expansion Project: a recipient of the much-coveted GCC Industrial Project of the Year in the 2020 edition of the MEED Projects Awards

## Sales' Breakdown - 2020

By Geographic Footprint



By Product-Line





## Alba Highlights – Q4 & FY 2020

### Financial Key Performance Indicators

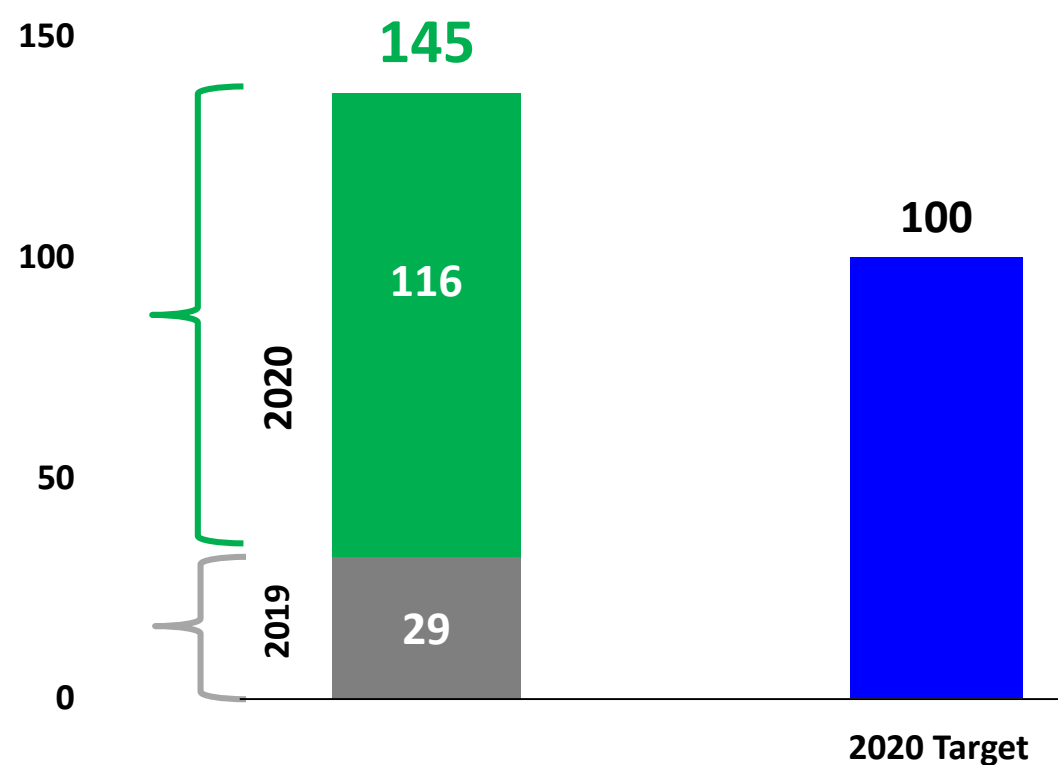
- 🌐 **EBITDA driven by higher Sales' volume and partially impacted by lower LME prices**
  - 🌐 Q4: US\$187 million up by 35% YoY
  - 🌐 FY: US\$455 million up by 49% YoY
- 🌐 **Net Profit driven by higher EBITDA and partially impacted by higher depreciation and financial charges**
  - 🌐 Q4: US\$85 million up by 130% YoY
  - 🌐 FY: US\$26 million up by 86% YoY
- 🌐 **Free-Cash (Out) Flow<sup>1</sup> impacted by changes in the Working Capital**
  - 🌐 Q4: (US\$44 million) down by 126% YoY
  - 🌐 FY: US\$144 million down by 66% YoY



## Alba Highlights – 2020

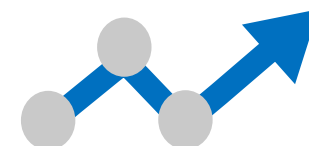
Completion of Project Titan - Phase IV  
Improve Cash-Cost Structure by US\$100 million by end of 2020

Project Titan – US\$ Million

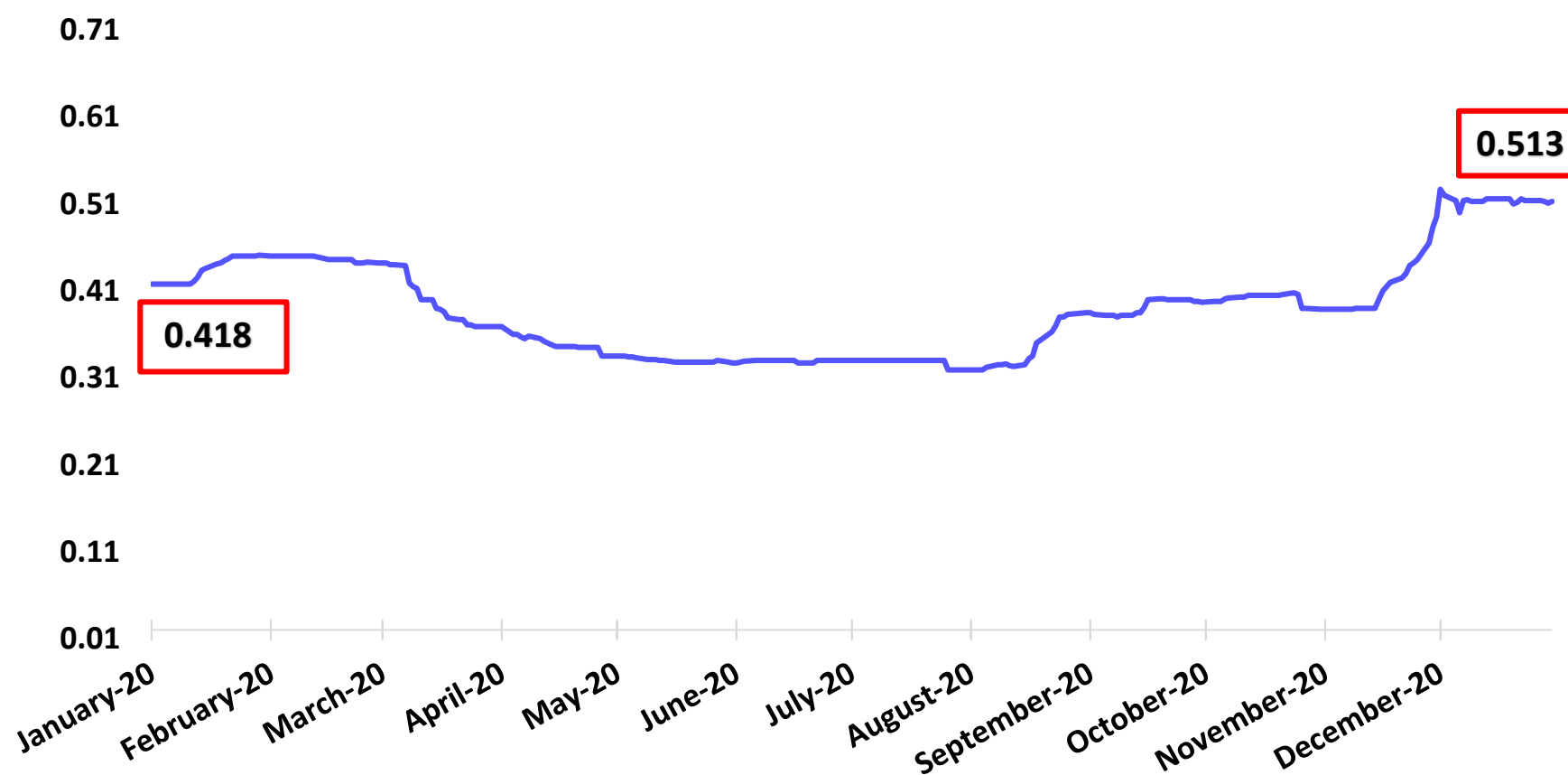




## Alba Highlights – 2020

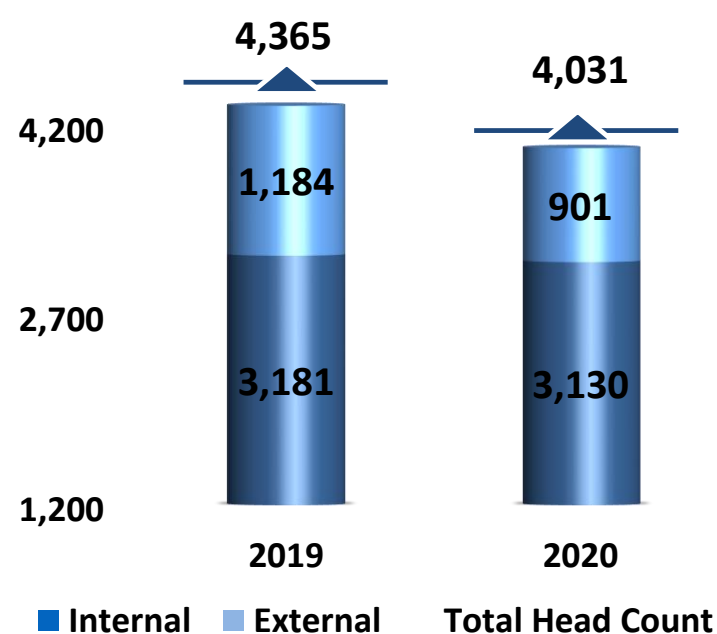


### Alba Share Price Performance [ALBH]

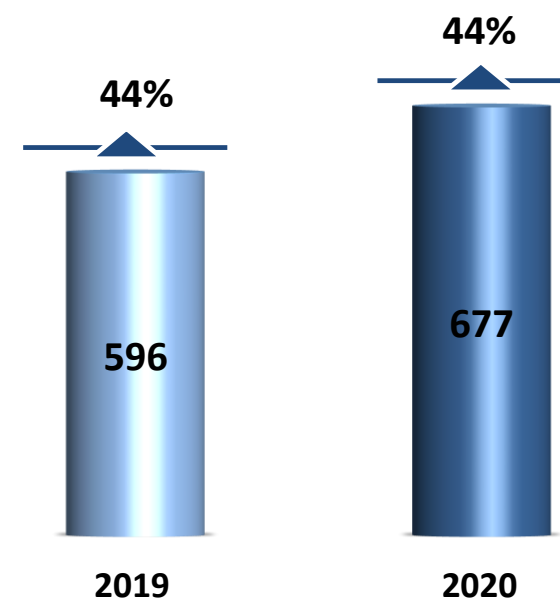


## Alba Operational Productivity – 2020

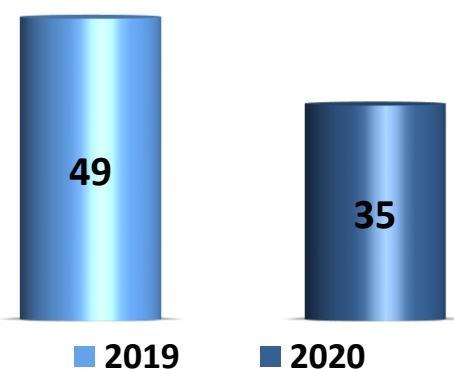
Head Count



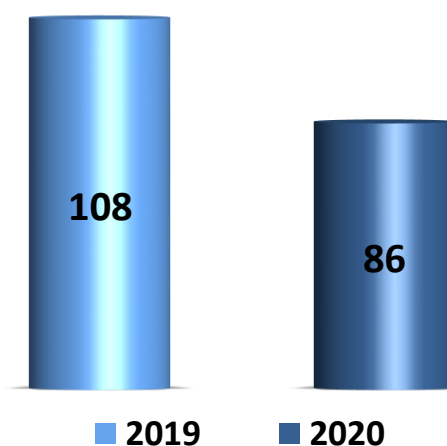
Value Added Sales (MT'000) as a % of Total Sales



Account Receivable Days Trend

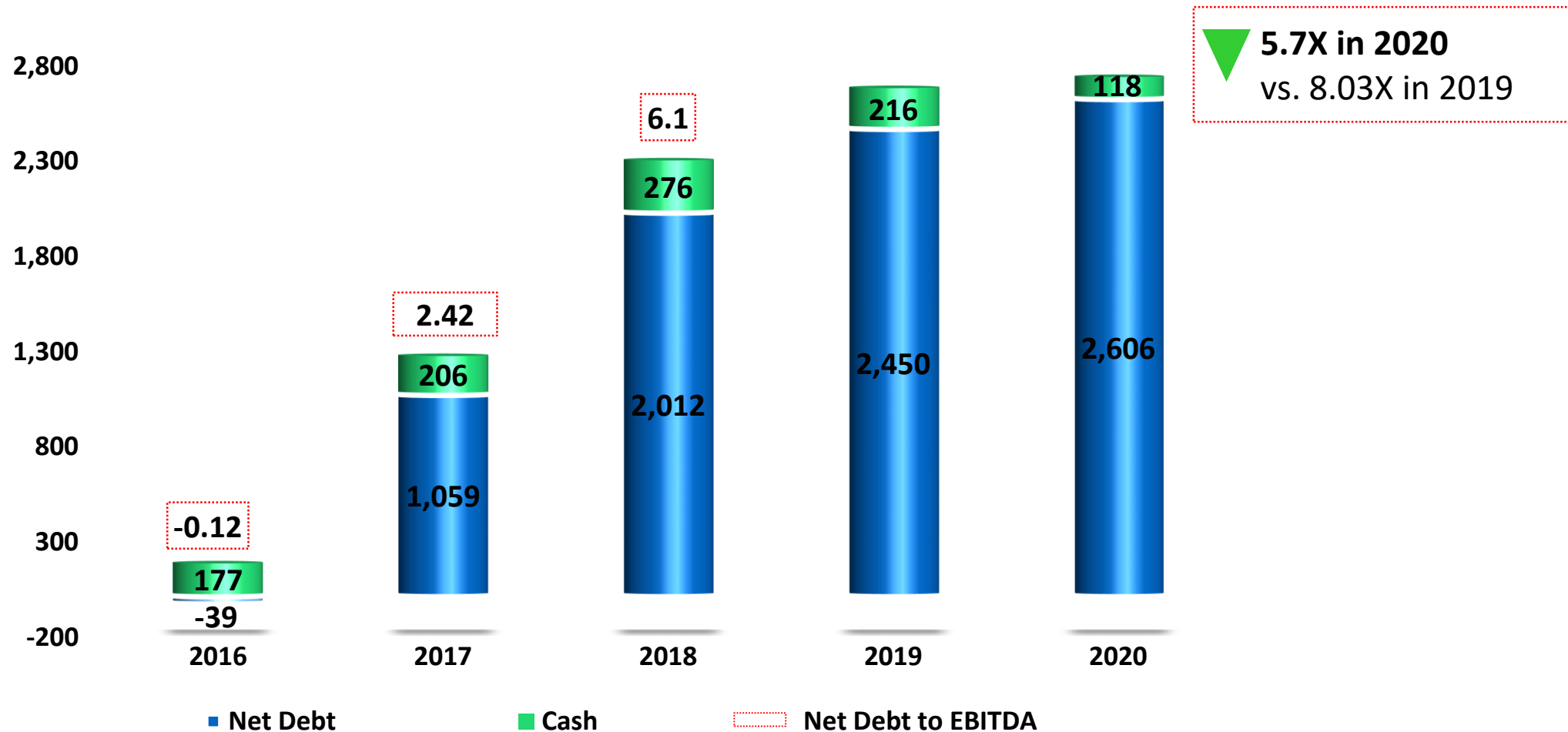


Inventory Days Trend



## Alba Highlights – 2020

### Net Debt to EBITDA Ratio (x)





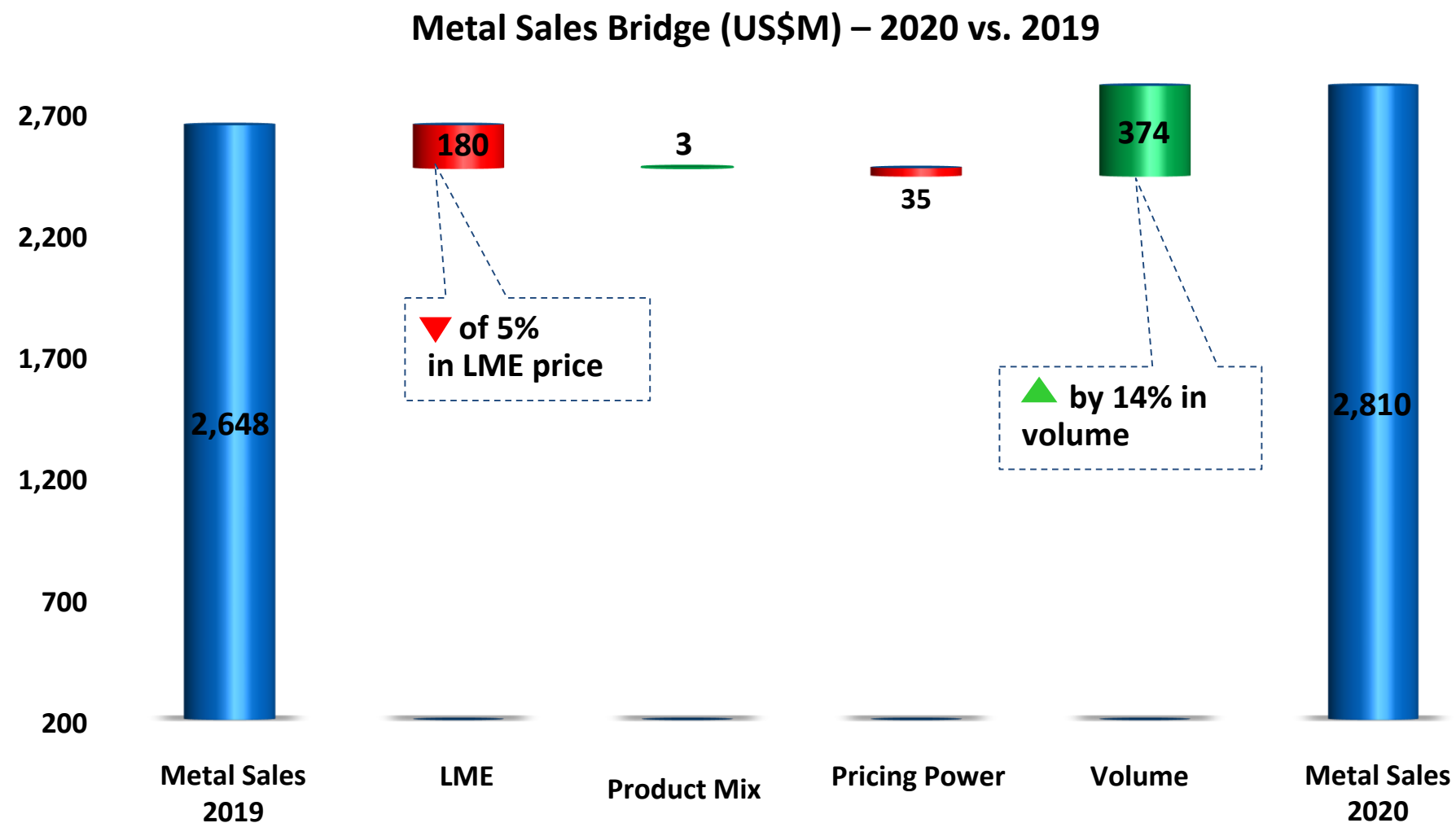


# 03

## 2020 RESULTS

## A Year Like No Other: Bearish Market Sentiment & Low LME Price

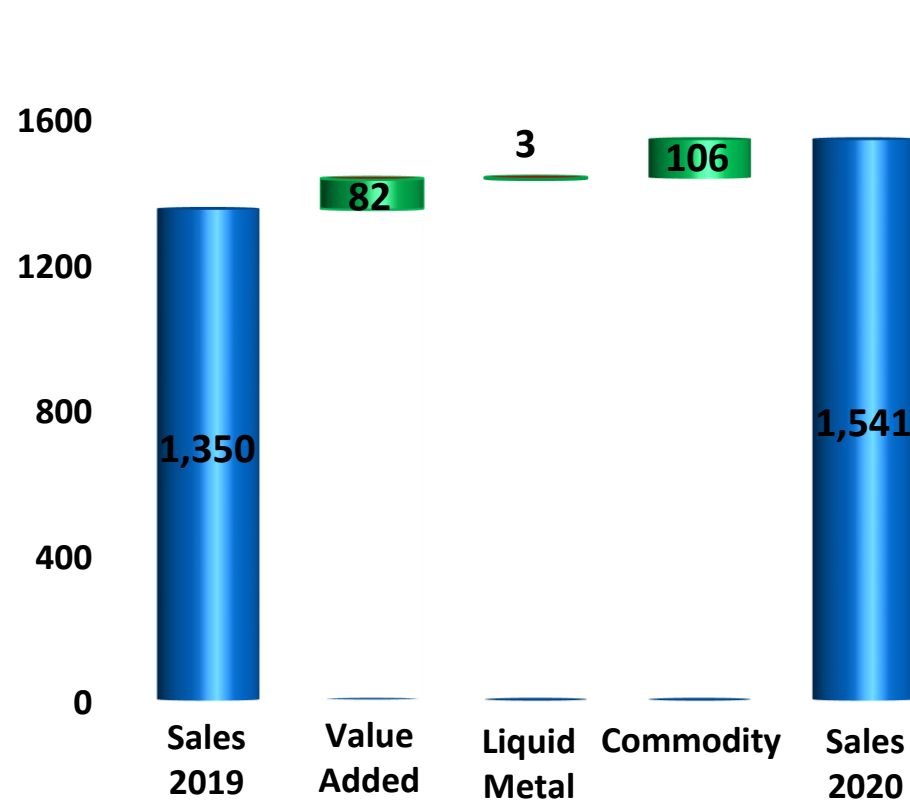
Metal Sales Bridge Analysis: 2020 vs. 2019  
Higher Metal Sales' Volume Offset by Lower LME Prices



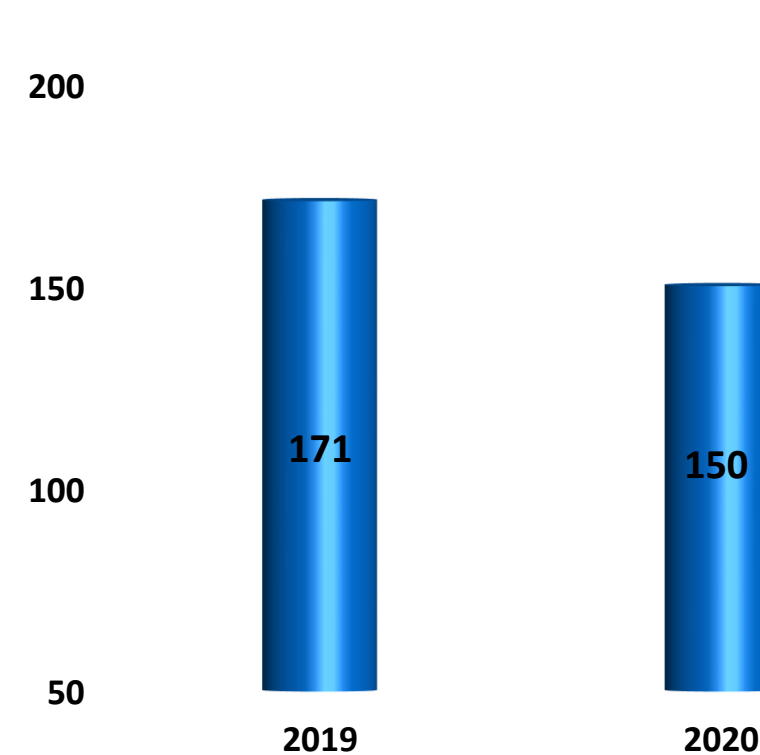
## A Year Like No Other: Bearish Market Sentiment & Low LME Price

Higher Sales' Volume Denominated by Higher VAP & Commodities

2020 vs. 2019  
Sales by Product-Line Bridge (MT'000)



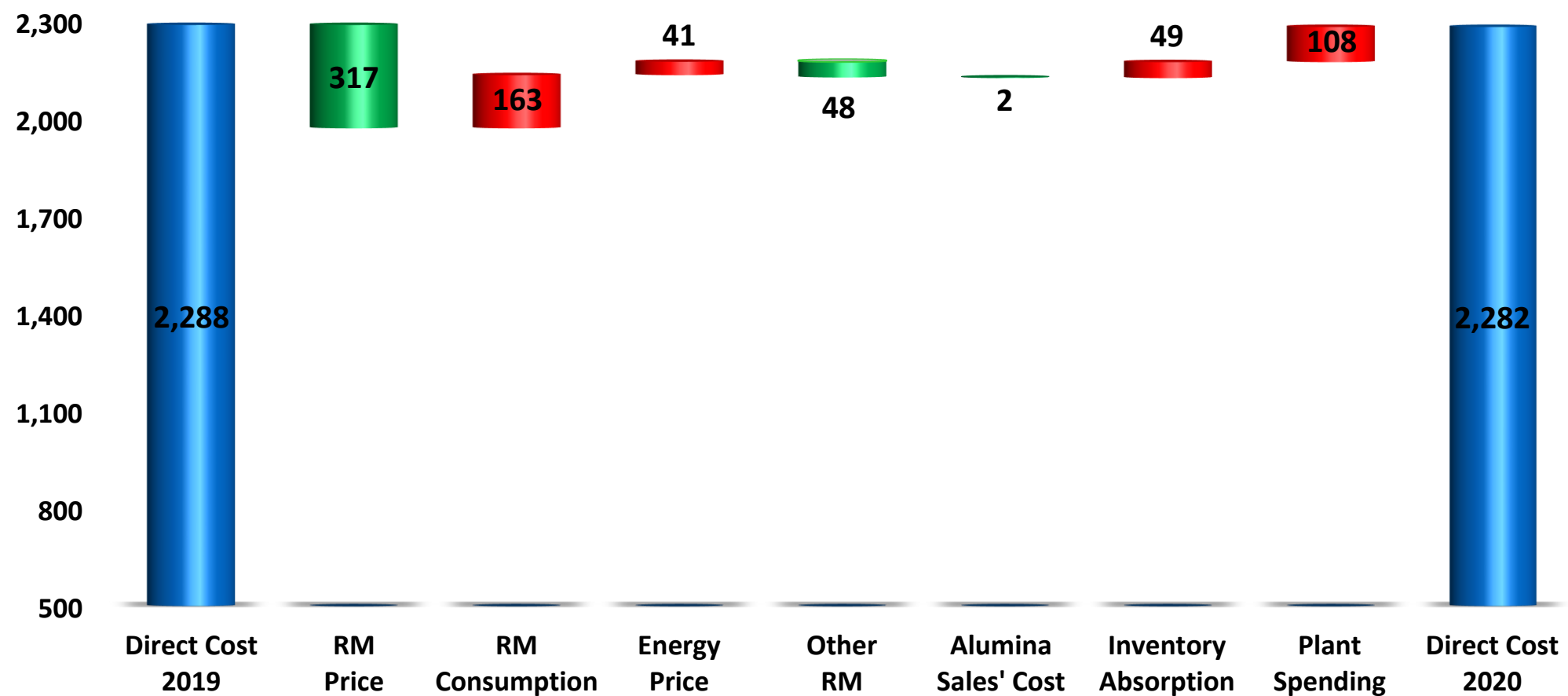
Premium Above LME Trend US\$/MT



## A Year Like No Other: Bearish Market Sentiment & Low LME Price

Cost Analysis 2020 vs. 2019  
Lower Direct Cost Owing to Low Prices of Raw Materials

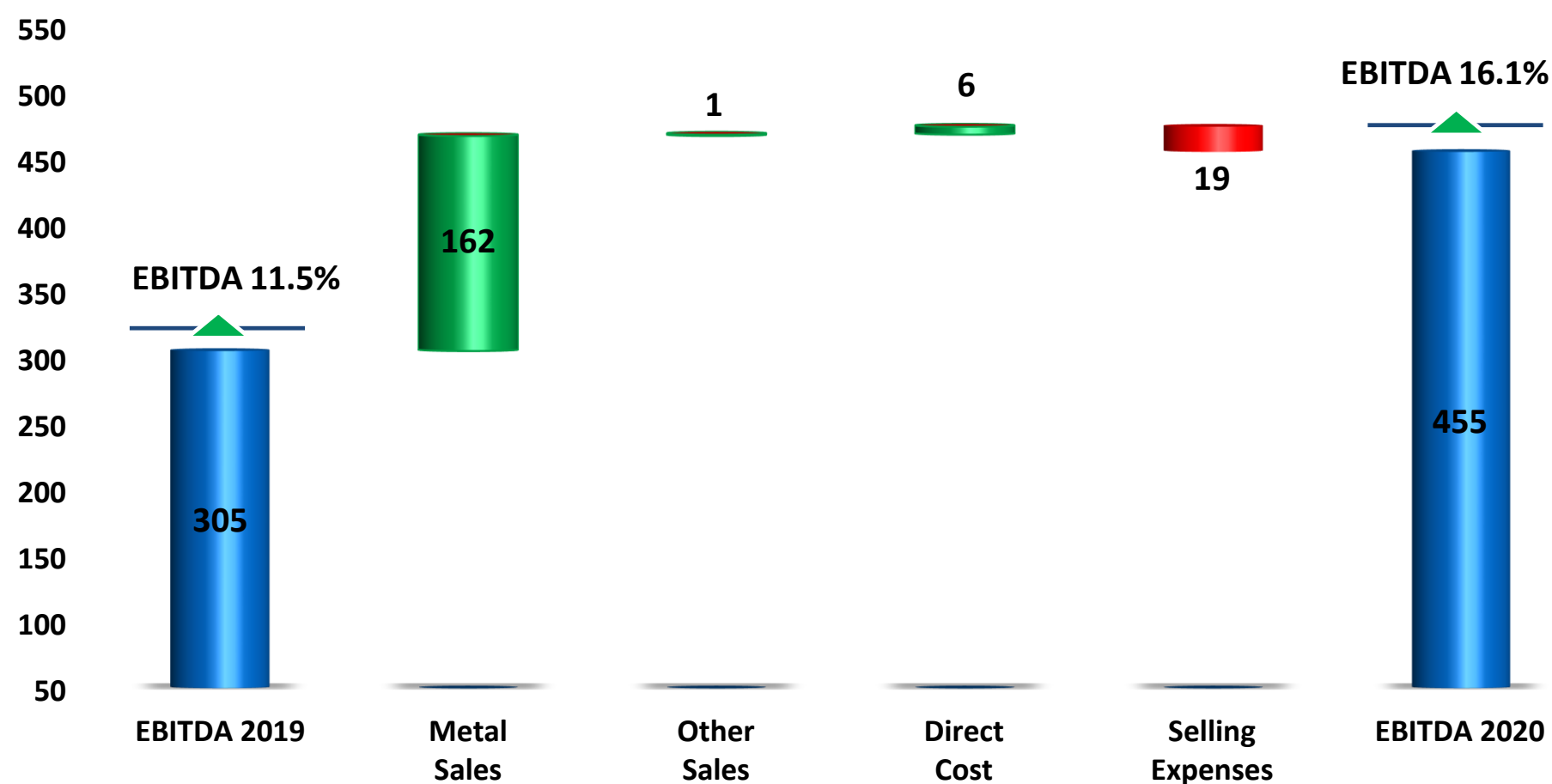
Direct Cost Bridge (US\$M) – 2020 vs. 2019



## A Year Like No Other: Bearish Market Sentiment & Low LME Price

EBITDA Bridge Gap Analysis – 2020 vs. 2019  
EBITDA Margin at 16.1%

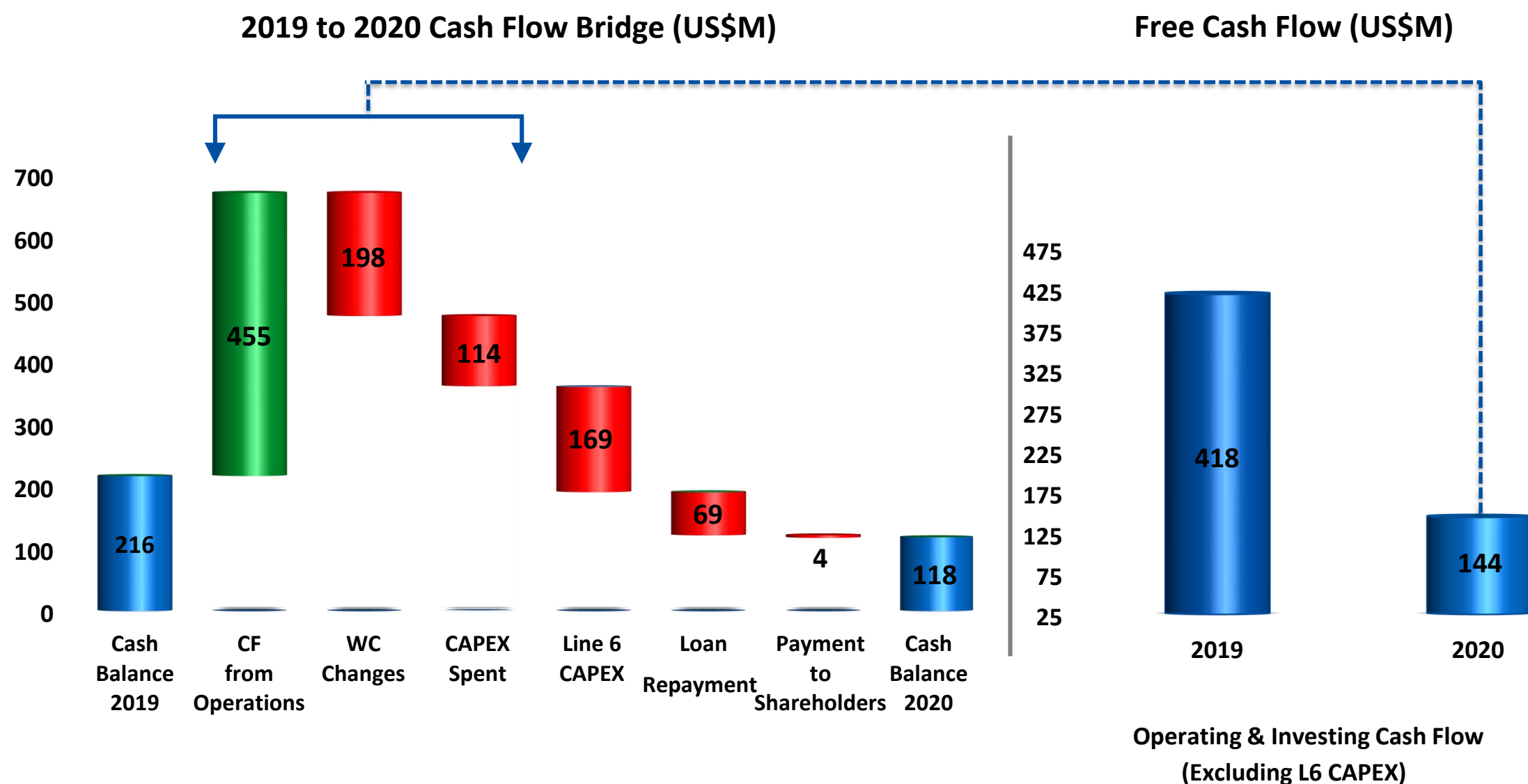
YTD 2020 vs. YTD 2019 - EBITDA Bridge (US\$M)





## A Year Like No Other: Bearish Market Sentiment & Low LME Price

### Cash Flow Bridge – 2019 to 2020: Maintain Adequate Cash Position



## A Year Like No Other: Bearish Market Sentiment & Low LME Price

### Good Financial Performance Offset by Lower LME Prices

Financial Summary	Q4 2020	Q4 2019	2020	2019
Average Cash LME (US\$/MT)	1,918	1,754	1,702	1,792
Average Alumina Price (US\$/MT)	282	281	271	332
Revenues <sup>1</sup> (US\$M)	741	781	2,823	2,738
EBITDA (US\$M)	187	139	455	305
EBITDA%	25.2%	18.1%	16.1%	11.5%
Net Profit(US\$M)	85	37	26	14
Gain /(Loss) Unrealised Derivatives	(1)	4	(8)	(17)
Adjusted Net Income <sup>2</sup>	86	33	34	31



# 04

## INDUSTRY PERSPECTIVES<sup>1</sup> IN 2020

## Industry Perspectives in 2021

### Aluminium Market Outlook to be Shaped by Pandemic

- Global economic recovery is contingent to the roll-out and success rate of COVID-19 vaccine. Future remains uncertain with the recent spike in infection rates globally
- Global aluminium market is set to continue with operational surplus in the short-run
- Global market consumption growth will depend on stimulus measures in major markets
- China, Russia and Asia to drive Aluminium output higher thanks to greenfield, brownfield expansion and replacement projects
- Physical premiums are set to marginally increase
- LME Price to range between US\$1,850/t – US\$1,950/t supported by market recovery and positive investor sentiment

## Industry Perspectives in 2021

### Raw Materials Price Trends

- Alumina spot prices expected to soften owing to projected surplus in the market
- Aluminium Fluoride (ALF3) and Liquid Pitch Prices are expected to increase thanks to higher demand
- Green Petroleum Coke (GPC) price is set to rise to offset supply-demand gap owing to refineries' cut-down of their production



05

## 2021 ALBA PRIORITIES

## 2021 Alba Priorities

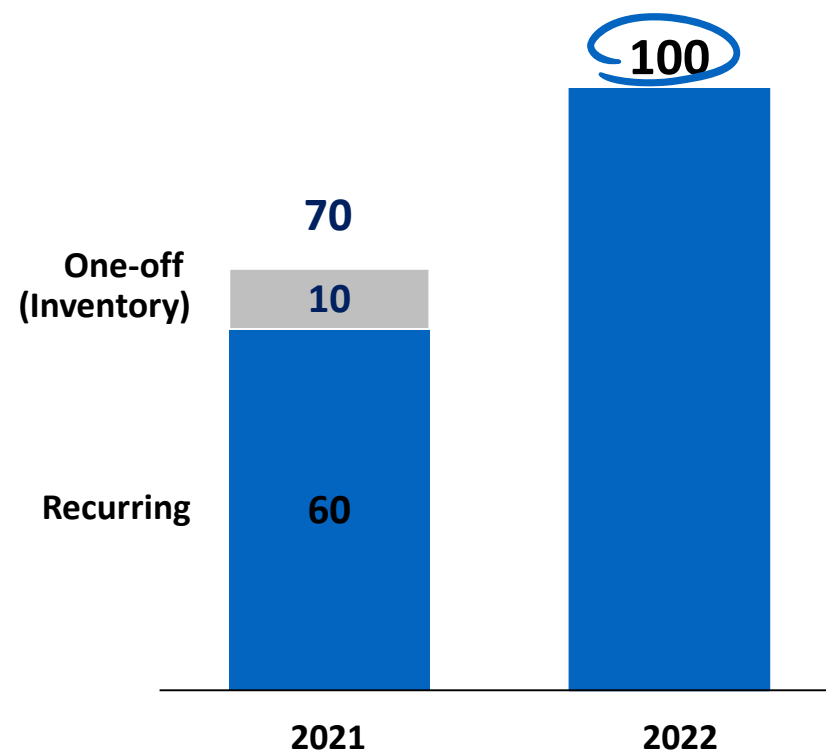
### Forward Focus & Journey Toward Safety Excellence

- 🌐 Evolve Towards Safety Excellence & Keep Alba's Intrinsic Assets (Employees & Contractors) Safe Amidst Novel COVID-19.
- 🌐 Lead by Example & Support the Government's Initiative by Taking COVID-19 Vaccine
- 🌐 Roll-out AL HASSALAH Savings' Initiative
- 🌐 Screen Potential Upstream Opportunities to Secure 1/3 Alumina requirements & Continuous Dialogue with Hangzhou Jinjiang Group Co. Ltd (HJJ)
- 🌐 Capitalise on Aluminium Stewardship Initiative (ASI) and Ecovadis Certifications to Penetrate New Markets & New Market Segments
- 🌐 Complete Spent Pot Lining Treatment Plant as per Timeline
- 🌐 Focus on Green and Sustainable Initiatives
- 🌐 Launch 2021 New Vision, Mission & Values

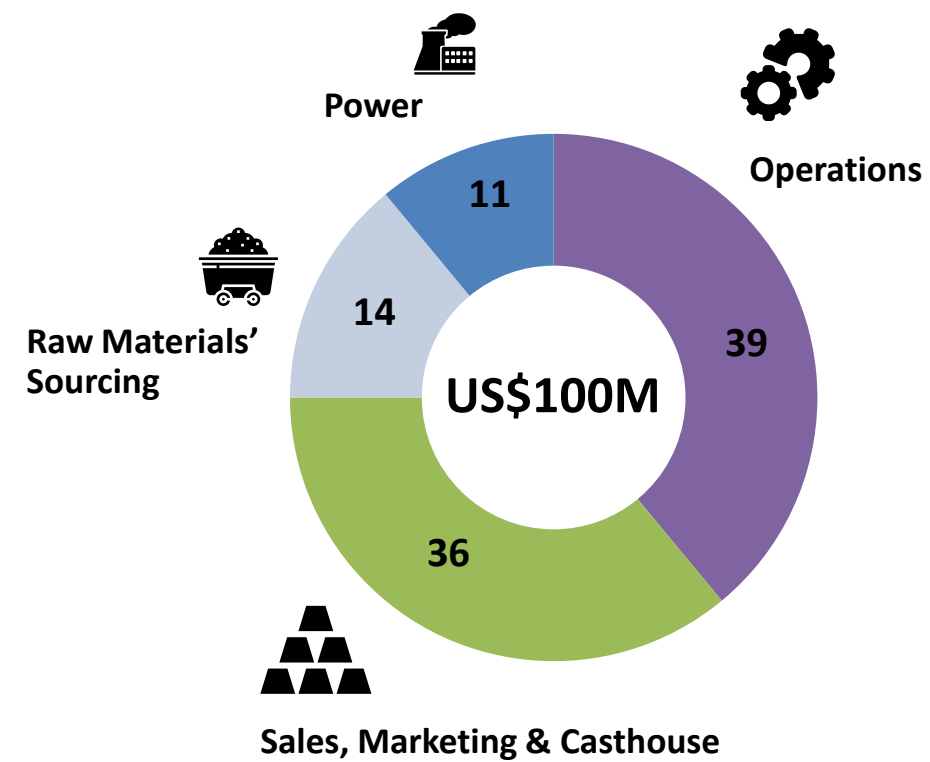
## 2021 Alba Priorities

AL HASSALAH Initiative (2-Year): Savings of US\$100 Million by 2022

AL HASSALAH Target



Breakdown by Value Chain





## VISION

To be the number one aluminium supplier  
for the generations to come

## MISSION

Being a responsible corporate citizen, we want to  
create value for all our stakeholders and society

## VALUES

**S**afe & Green  
**T**ogether  
**E**thics  
**E**xcellence  
**R**esilience



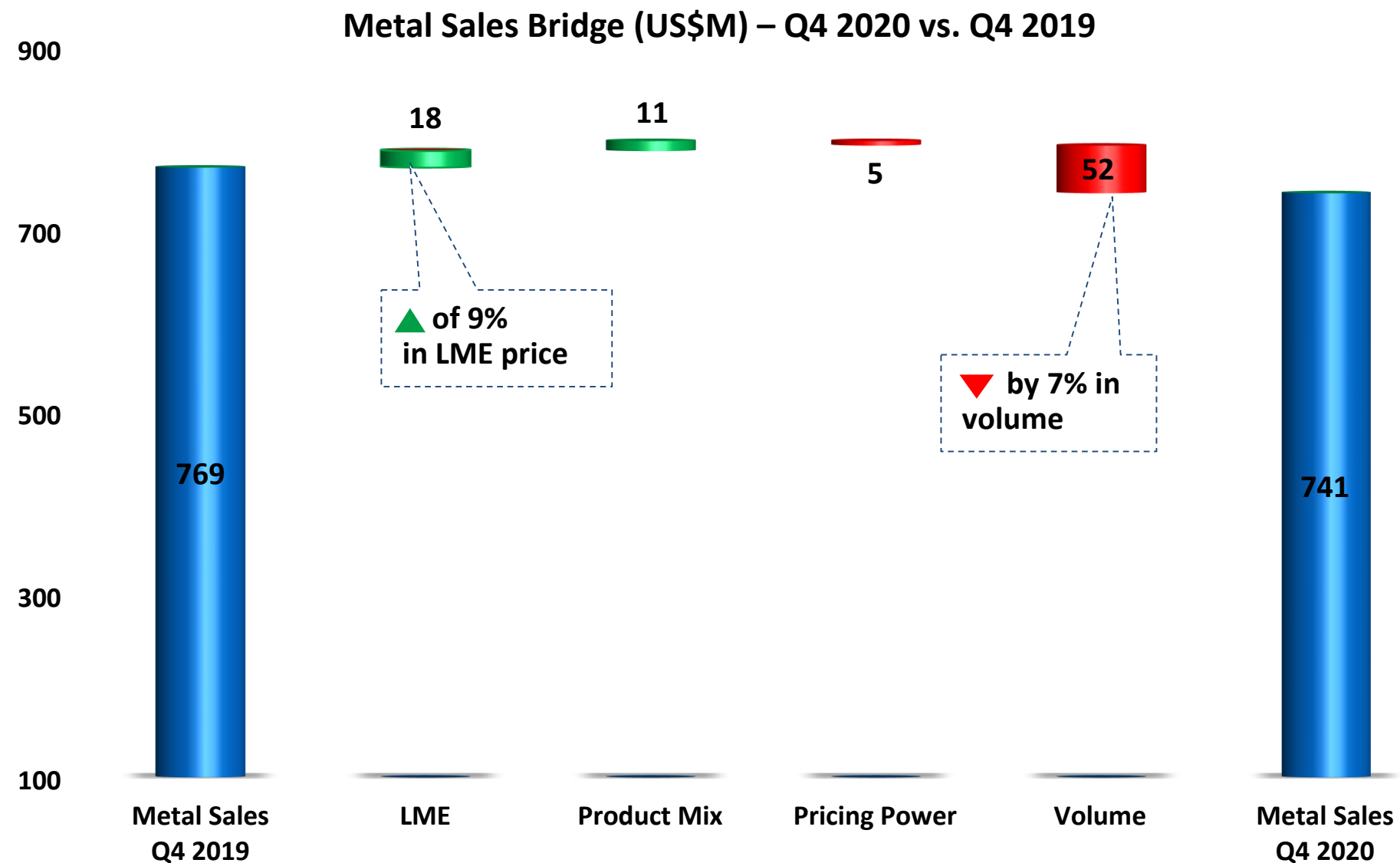


06

## APPENDIX – Q4 2020

## Aluminium Industry: Soft Market Recovery & Higher LME Price

**Metal Sales Bridge Analysis: Q4 2020 vs. Q4 2019**  
Lower Metal Sales Owing to Lower Sales' Volume Despite Higher LME Price

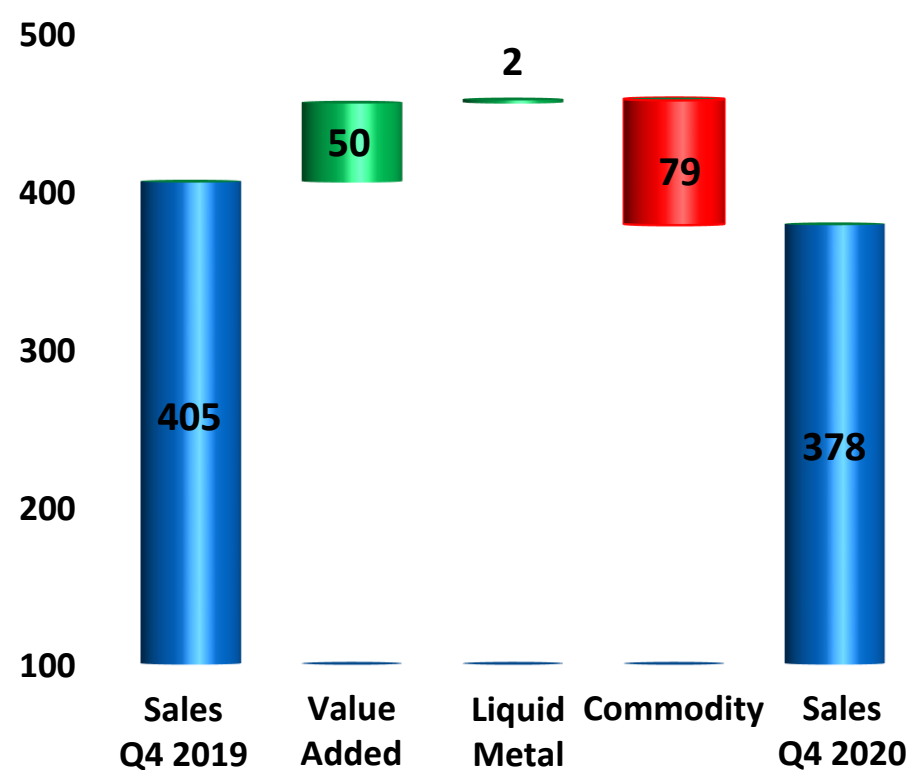




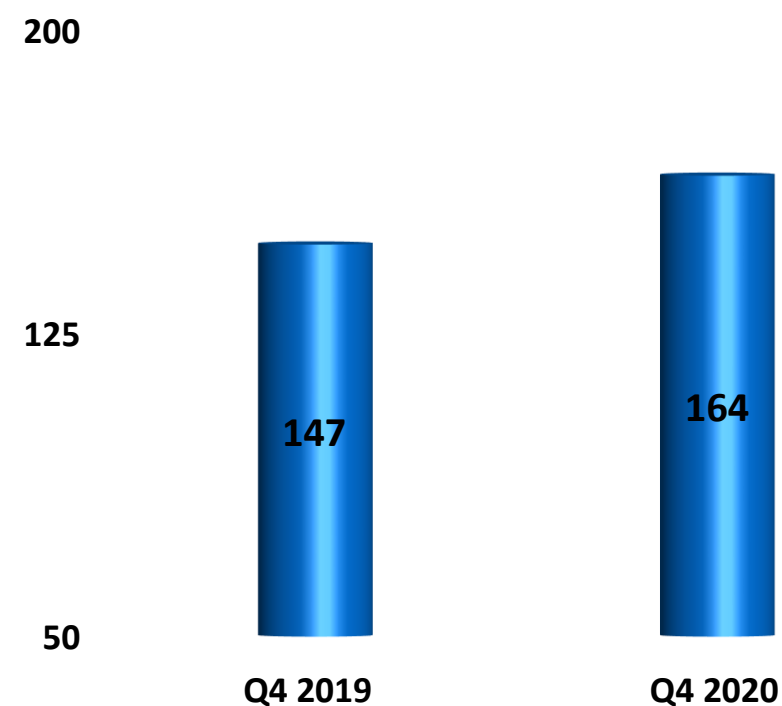
## Aluminium Industry: Soft Market Recovery & Higher LME Price

Sales' Volume Denominated by Higher VAP

Sales by Product-Line Bridge (MT'000)  
Q4 2020 vs. Q4 2019



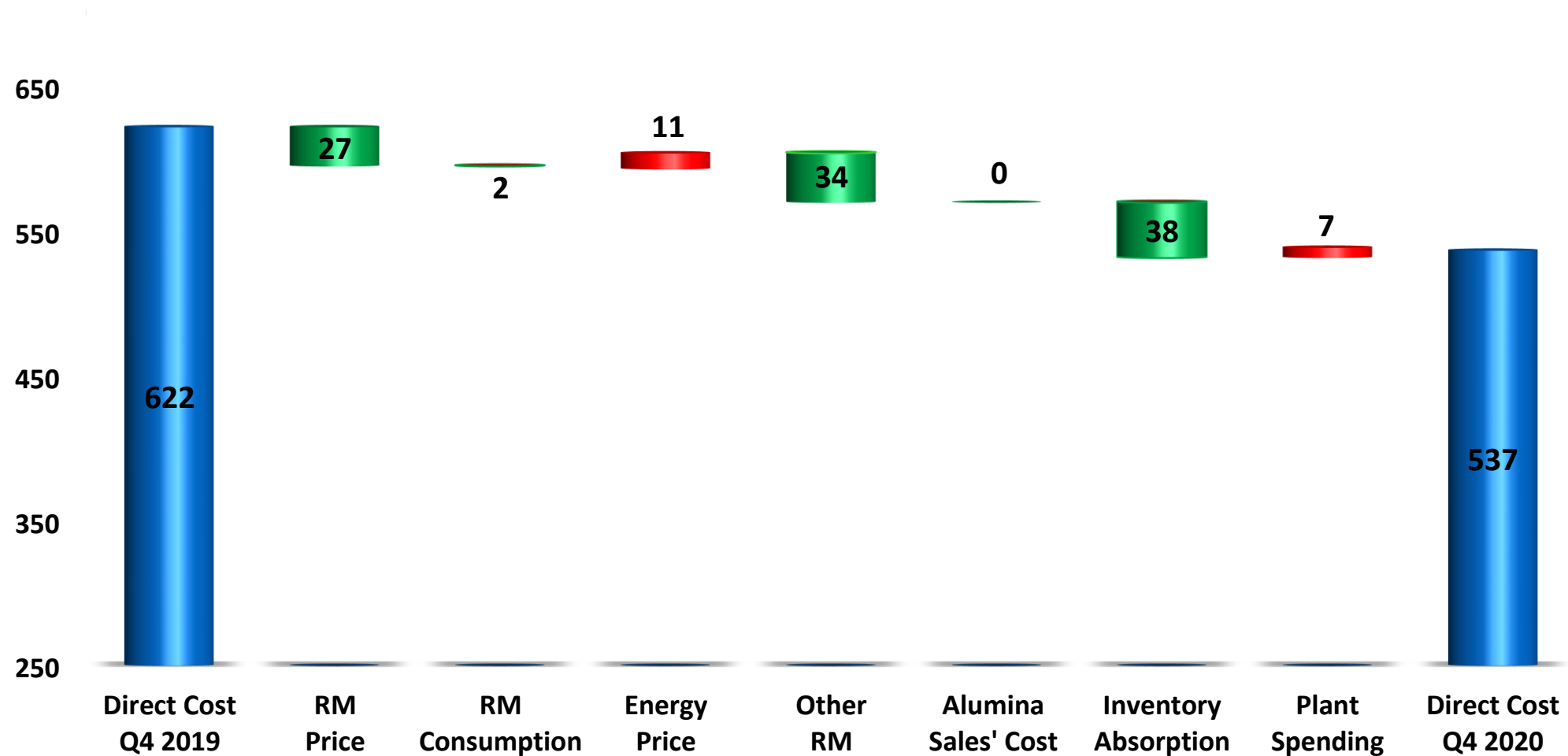
Premium Above LME Trend US\$ Per MT



## Aluminium Industry: Soft Market Recovery & Higher LME Price

Cost Analysis Q4 2020 vs. Q4 2019  
Lower Direct Cost Owing to Low Prices of Raw Materials

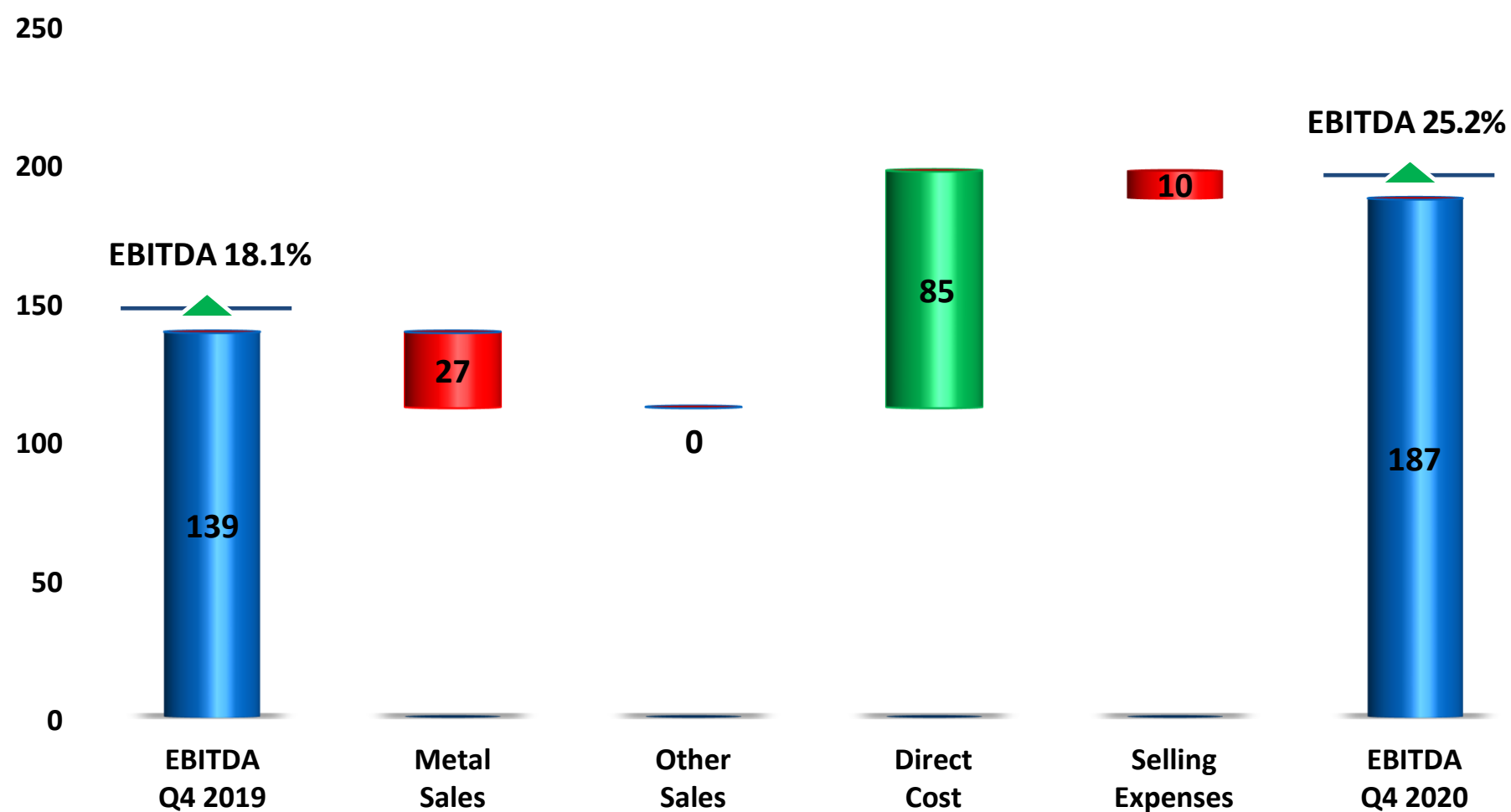
Direct Cost Bridge (US\$M) – Q4 2020 vs. Q4 2019



## Aluminium Industry: Soft Market Recovery & Higher LME Price

EBITDA Bridge Gap Analysis – Q4 2020 vs. Q4 2019  
EBITDA Margin at 25.2%

EBITDA Bridge (US\$M) – Q4 2020 vs. Q4 2019

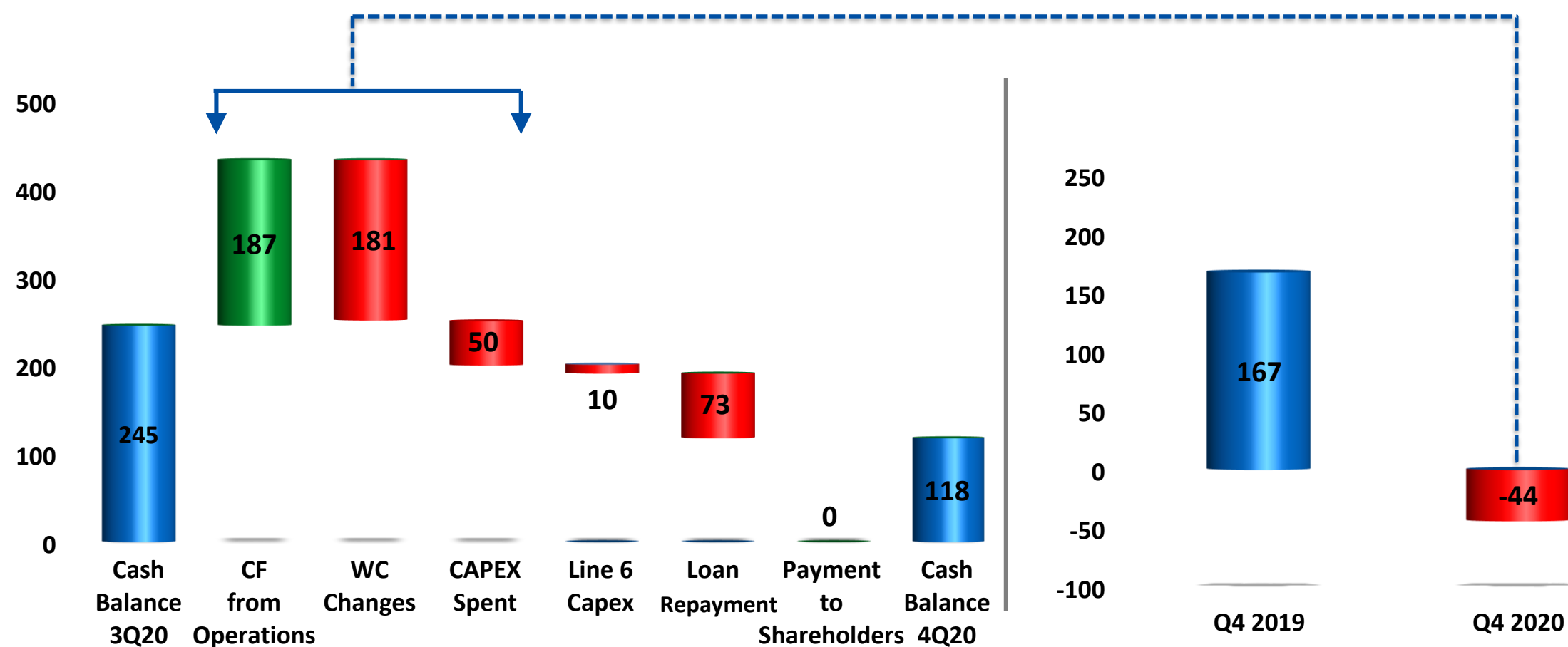


## Aluminium Industry: Soft Market Recovery & Higher LME Price

### Cash Flow Bridge – Q3 2020 to Q4 2020

Q3 2020 to Q4 2020 Cash Flow Bridge (US\$M)

Free Cash Flow (US\$M)



Operating & Investing Cash Flow  
(Excluding L6 CAPEX)

## 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, Fils 513 on 31 December 2020]





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