



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 requested to read Alba's Interim Condensed Consolidated Financial Information as of 30 June 2021 which are posted at www.albasmelter.com.

Alba's official press release and full set of Financial Information are also available on [Bahrain Bourse website](#).
Alba's Financial Results for the Second Quarter and First Half 2021 are summarized below:

Alba Discloses its Financial Results for the Second Quarter and H1 of 2021

Q2 & H1 2021 Financial Performance

Aluminium Bahrain B.S.C. (Alba) (Ticker Code: ALBH), the world's largest aluminium smelter w/o China, has reported a Profit of **BD92.6 million (US\$246.2 million)** for the **second quarter of 2021, up by 665% Year-over-Year (YoY)**, versus a Loss of BD16.4 million (US\$43.6 million) for the same period in 2020. The Company reported **Basic and Diluted Earnings per Share of fils 65** for **Q2 2021** versus Basic and Diluted Loss per Share of fils 12 for the same period in 2020. **The Total Comprehensive Income for Q2 2021 stood at BD90.6 million (US\$241.1 million)** versus Total Comprehensive Loss for the second quarter of 2020 of BD18.2 million (US\$48.4 million) – **up by 598% YoY**. **Gross Profit for Q2 2021 was BD123.7 million (US\$328.9 million)** versus BD21.6 million (US\$57.6 million) for the same period in 2020 – **up by 471% YoY**. With regards to the **Revenue in Q2 2021**, Alba generated **BD370 million (US\$984 million)** versus BD244 million (US\$649.1 million) in Q2 2020 - **up by 52% YoY**.

For the First Half of 2021, Alba has reported a **Profit of BD144.8 million (US\$385 million), up by 1,461% YoY** versus a Loss of BD10.6 million (US\$28.3 million) for the same period in 2020. The Company reported **Basic and Diluted Earnings per Share of fils 102** for first half of 2021 versus Basic and Diluted Loss per Share of fils 8 for the same period in 2020. Alba's Total Comprehensive Income for H1 2021 was **BD149.1 million (US\$396.5**

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million), **up by 852% YoY**, compared to a Total Comprehensive Loss of BD19.8 million (US\$52.7 million) in H1 2020. **Gross Profit** for the First Half of 2021 was **BD204.2 million (US\$543 million)** versus BD55.2 million (US\$146.8 million) in H1 2020 – **up by 270% YoY**. Alba generated in H1 2021 **Revenue** of **BD672.7 million (US\$1,789 million)** versus BD520 million (US\$1,383 million) in H1 2020 - **up by 29% YoY**.

Total Equity as at **30 June 2021** stood at **BD1,230.1 million (US\$3,271.4 million)**, **up by 14%**, versus BD1,079.6 million (US\$2,871.1 million) as at 31 December 2020. Alba's **Total Assets** as at **30 June 2021** were **BD2,496.1 million (US\$6,638.6 million)** versus BD2,353.7 million (US\$6,259.8 million) as at 31 December 2020 - **up by 6%**.

Alba's top-line were driven in by higher LME prices (61% YoY in Q2 2021 and 41% YoY in H1 2021) and partially offset by lower Sales' volume (a drop of 1% YoY in Q2 2021 and 3% YoY in H1 2021) while the bottom-line for Q2 and H1 2021 was driven by higher top-line and partially impacted by higher Selling and Distribution Expenses.

Industry Highlights

Consumption: Strong Rebound for Global Demand Underpinned by V-Shape Economic Recovery (+12% YoY)

- Stimulus packages by Governments across the globe [US\$1.2 trillion in US over 8-year period to revive infrastructure and transition to a greener economy; €750 billion recovery program launched by EU] translated in strong metal consumption in key markets.
- Strong come-back for Aluminium consumption in North America (+49% YoY) with manufacturing activity reaching an all-time high.
- Rebound in World ex-China consumption (+33% YoY) and Europe's +29% YoY owing to strong market recovery.
- Middle East demand up by 17% YoY, a double-digit increase, owing to higher demand in UAE.
- Chinese market is no longer the bullish driver it used to be with Chinese authorities urging SHFE futures exchange to avoid excessive speculation. Chinese consumption almost flat (+1% YoY).

Production: Higher Metal Demand Accelerate Supply Growth (+7% YoY)

- An all-high record smelting margins enhanced higher capacity utilization rates as smelters are back to normal production after COVID-19.
- Strong come-back for SHFE price (highest level in 13 years) has boosted Chinese production with +9% YoY.



- North America supply down by 5,000 MT (1,032 Kt in 2Q20 vs. 1,027 Kt in 2Q21) owing to the gradual closure of Alcoa's Ferndale smelter.
- Primary supply in GCC almost flat owing to 2% YoY supply cuts in UAE.
- LME inventories at ~1.597 million MT as of 30 June 2021 (down by 16% YoY) and LME-cash averaged US\$2,399/MT (61% YoY) in Q2 2021.

Alba Safety Highlights

- Plant Safety: 2 Safety Campaigns were launched: 'The Right Choice' on 05 Apr'21 and first ESG Campaign 'Achieving the Balance' by mid-June 2021.
- > 99% of Alba employees vaccinated.
- To ensure its People's Safety, random rapid tests were carried-out on a daily basis at the Company's gates to Alba employees and contractors' personnel; only vaccinated guests were allowed on Alba premises.
- Recipient of the Royal Society for the Prevention of Accidents Gold Award for 8th consecutive year in a row.
- Recipient of ISO 22301:2012 certification for Business Continuity Management System (BCMS).
- Alba achieved 13 million safe working-hours w/o LTI on 29 Jun'21.

Alba Major Operational Highlights in Q2 2021

- Sales' volume topped 388,149 metric tonnes (MT) - down by 1% YoY while Production reached 391,954 MT, up by 3.5% YoY.
- Value Added Sales averaged 65% of the total shipments (vs. 62% in 1Q21).
- Alba's achieved savings through AL-HASSALAH initiative amounted US\$56 million (versus US\$70 million target by year-end 2021).
- Recipient of Best Corporate Governance Award in Bahrain by Ethical Boardroom for 2021.
- Natural gas price set at US\$3.75/MMBTU till 31 March 2022.
- Environmental Conservation Project -Spent Pot Lining (SPL) Treatment Plant in progress (>91%).

2021 Alba Priorities

- Evolve Towards Safety Excellence & Keep Alba's Human Capital Safe Amidst COVID-19.
- Support the Government's Initiatives & aim is to have 100% vaccinated workforce.
- Meet 2021 Production Target of 1,540,000 metric tonnes & Deliver on AL HASSALAH Savings' Target of US\$70 Million by 2021-end.



- Screen Potential Upstream Opportunities to Secure 1/3 Alumina Requirements & Continue Dialogue with Hangzhou Jinjiang Group Co. Ltd.
- Capitalise on Aluminium Stewardship Initiative and Ecovadis Certifications to Penetrate New Markets & Increase VAP Sales.
- Complete Environmental Conservation Project, 1st of its Kind in the Region, Spent Pot Lining Treatment (SPL) Plant.
- Focus on Green and Sustainable Initiatives.
- Release Alba's Fifth Edition of Sustainability Report after Quality Assurance.

Commenting on Alba's financial performance for the first half of 2021, the Chairman of Alba's Board of Directors, Shaikh Dajj Bin Salman Bin Dajj Al Khalifa stated:

"We continued with the strong momentum we've started in the first quarter of 2021, and this has led us to set all-time records in our performance:

- We have achieved highest-ever production of 773,887 metric tonnes while Value Added Sales reached new heights with 472,323 metric tonnes (translating into 64% of our Sales). These new precedents were made possible thanks to Line 6 Expansion Project.
- EBITDA margin has beaten the record we have achieved in Q1 2021 and set a new benchmark with 33% (versus 29.8% in Q1 2021).
- Our Profit topped new peak for the first 6-months of 2021 with US\$385 million, up by 1,461% YoY.

Our business performance is directly correlated to our Safety mindset as we truly believe that productivity and Safety are mutually inclusive. Today, we have achieved more than 14 million safe-working hours without LTI."

Alba's Chief Executive Officer, Ali Al Baqali, added:

Despite the COVID-19 challenge and global logistics' issue, Alba has set new benchmarks in its 5 decades of commercial operations: higher production, higher EBITDA and higher Net Profit ever achieved in 6-months period. This unparalleled operational and financial performance is defined by our strong results rather than our attributes. Our results speak louder than words and this strong comeback on all fronts would not have been made possible without the resilience of our workforce and for 'Thinking First, Safety Always.'

Alba Management will hold a conference call on Monday 02 August 2021 at 3 PM Bahrain Time to discuss its financial and operational performance for Q2 and H1 2021, outline the Company's priorities for 2021 as well as provide an update on the current market conditions and outlook for 2021.