



# INVESTOR RELATIONS PRESENTATION

Q1 2021



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# 01

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



## INDUSTRY HIGHLIGHTS

### Macroeconomic Recovery & Tight Scrap Market -> Strong Demand (+17% YoY)

- 2021 -- a dash of hope: Aluminium market recovered in Q1 after COVID-19 pandemic left its mark on the world in 2020
- More spending/stimulus by Governments [US\$3 trillion investment in infrastructure, clean energy and education in US; EU allocation of large funds into Green Deal initiatives; China's accelerated spending on new infrastructure and energy transition] across the globe translated in strong metal consumption in many markets
- Strong demand for Aluminium metal driven by energy transition and supply constraints
- Chinese consumption surged to pre-pandemic levels (+27% YoY)
- World ex-China consumption rebound: 6% YoY in North America, 4% YoY in Europe and c.1% YoY in Middle East



## INDUSTRY HIGHLIGHTS

### Strong Smelting Margins Drive Metal Supply Growth by 5% YoY

- After a deep-dive in 2020, record-high smelting margins (thanks to LME price recovery) enhanced higher capacity utilization rates, especially from China, were behind the world aluminium production's growth
- Robust imports of Aluminium have boosted Chinese production by 9% YoY [thanks to high in SHFE price]
- Production in North America down by 1% YoY mainly due to supply-cuts
- Primary Aluminium supply in MENA down by 2% YoY owing to 4% supply cuts in UAE
- World market in surplus with China (+396Kt) and without China in deficit (-110Kt)

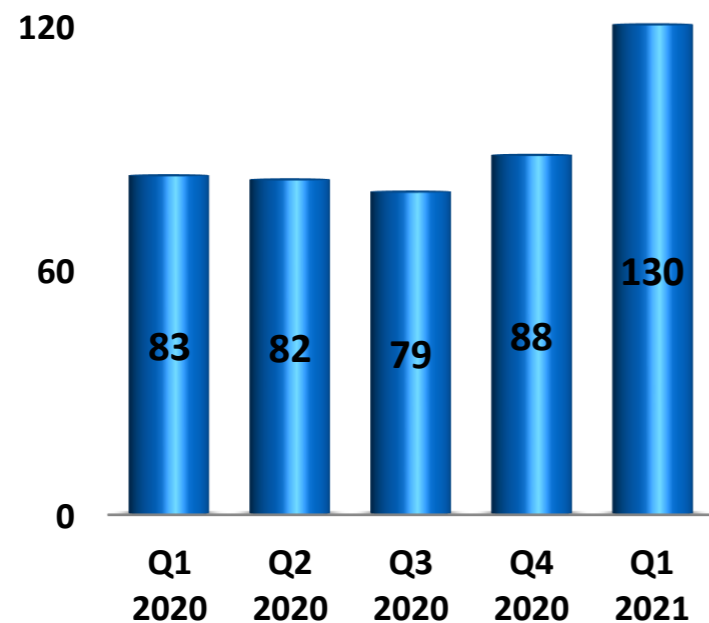


# INDUSTRY HIGHLIGHTS

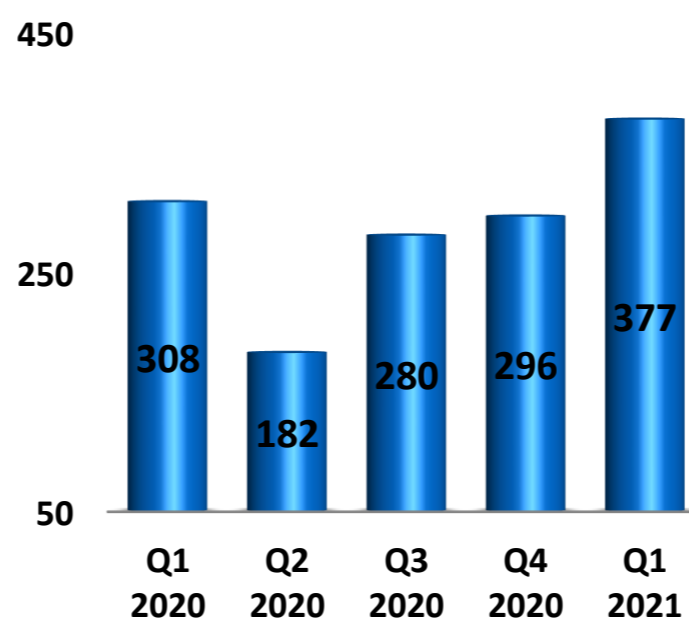
## LME & Premium Prices on Rebound

- LME inventories at ~1.897 million MT as of 31 March 2021 (up by 63% YoY)
- LME-Cash averaged US\$2,092/t - up by 24% YoY [lowest: US\$1,951.5/t on 19 January and highest: US\$2,260.5/t on 26 March]
- Regional premiums surge higher supported by freight costs

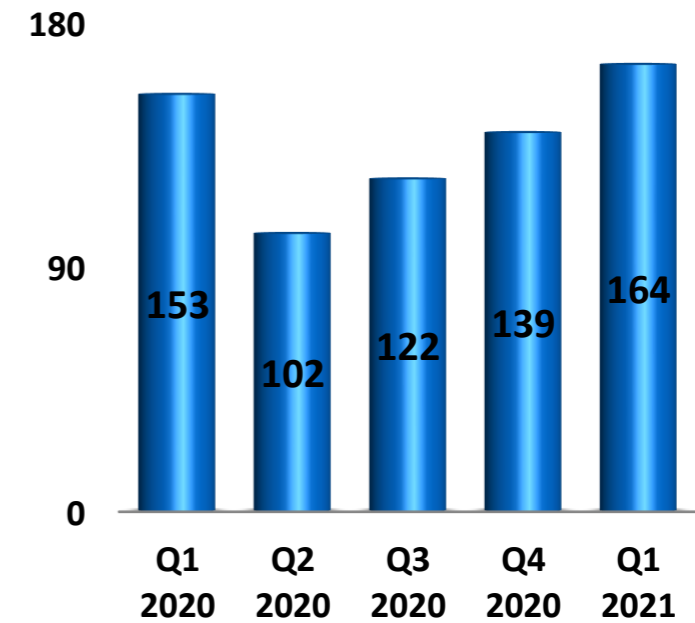
Major Japanese Ports (MJP<sup>1</sup>)



US Midwest



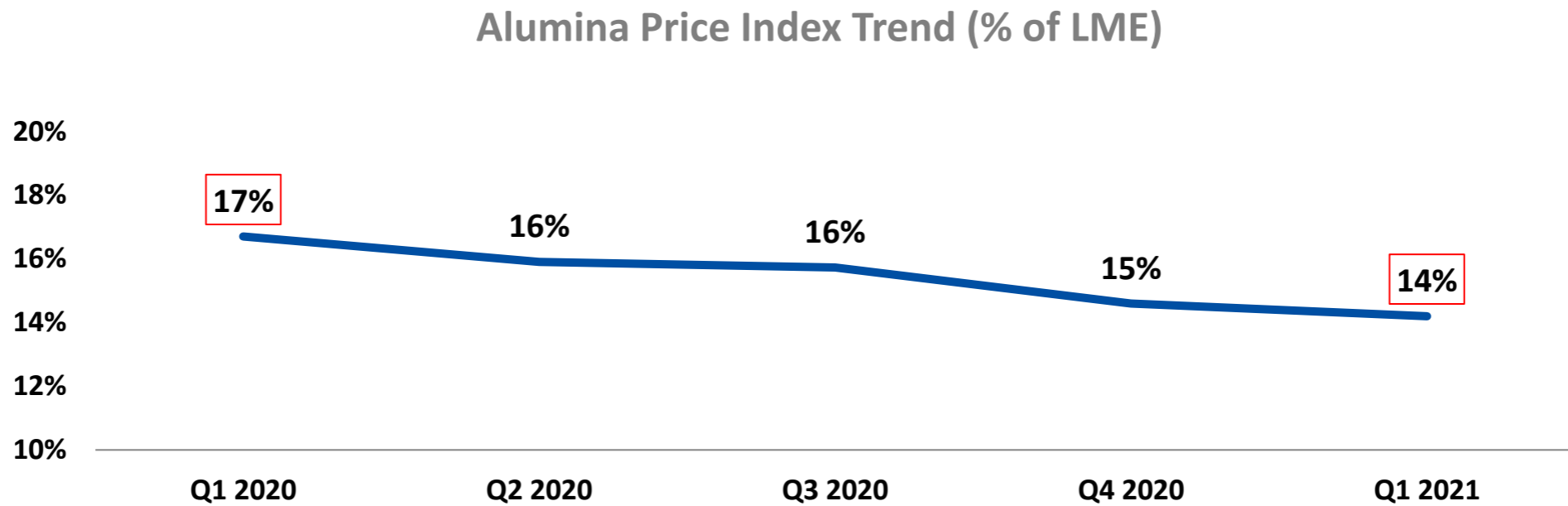
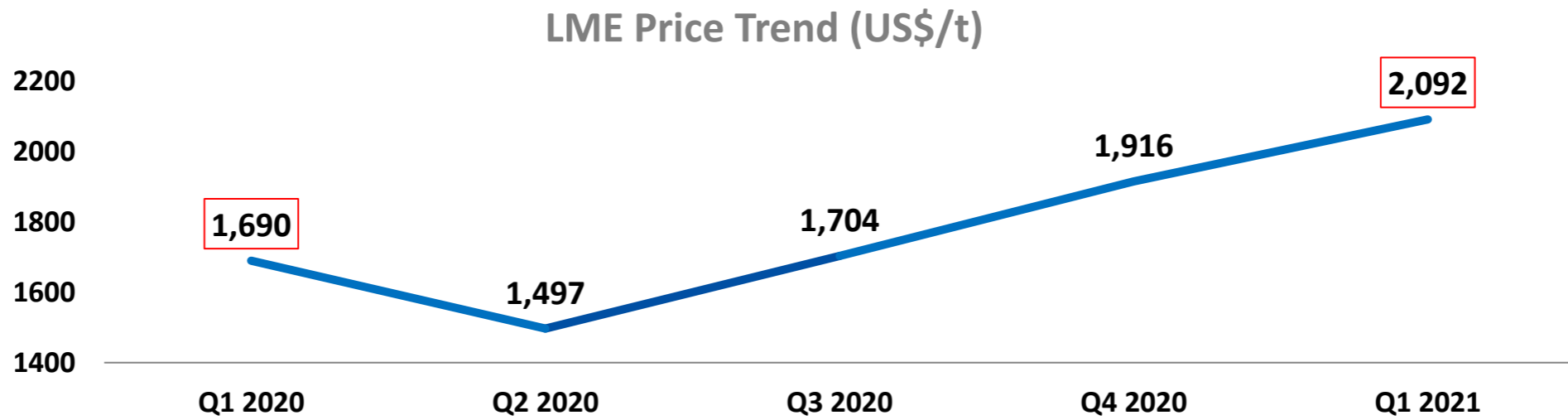
DDP Rotterdam



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

# INDUSTRY HIGHLIGHTS

Alumina Price - 14% of LME Price [US\$299/t]







# 02

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



## ALBA HIGHLIGHTS

#Commit4Bahrain

### Driving Safety Excellence Amidst COVID-19 Pandemic

- 🌐 Plant Safety: implementing a continuous improvement mindset through 'Virtual Safety Hour' Campaign. Launch of mini-SHE Campaign 'The Right Choice' in early April
- 🌐 Working meticulously with the National Medical Taskforce for combatting COVID-19 to ensure our People's Safety - Employees and Contractors
- 🌐 Remote work from home continued for soft departments (men and women)
- 🌐 Recipient of International Safety Award from the British Safety Council
- 🌐 Coming-back stronger as the Company hits 9.6 million safe working-hours w/o LTI by March-end 2021. Alba achieved 10 million safe working-hours w/o LTI on 12 April 2021

> 56% VACCINATED

For our  
**Safety**  
لسلامتنا



For our  
**Health**  
لصحتنا



For our  
**Environment**  
ليبتنا

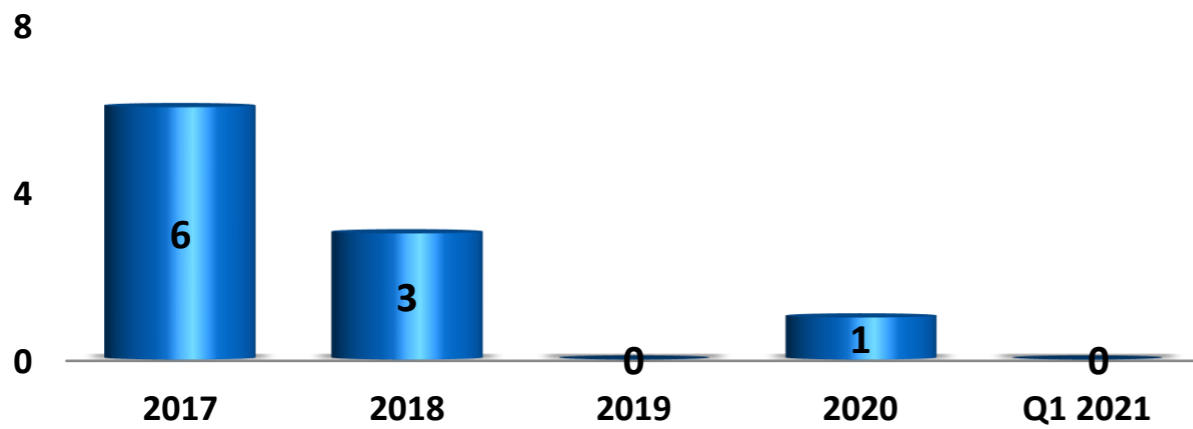




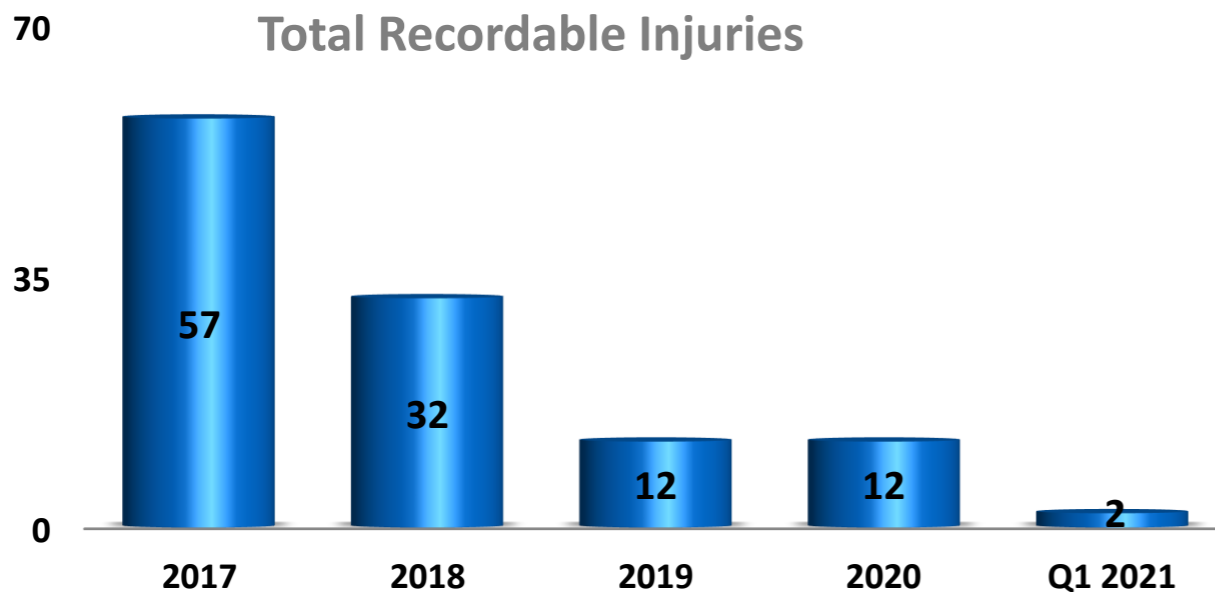
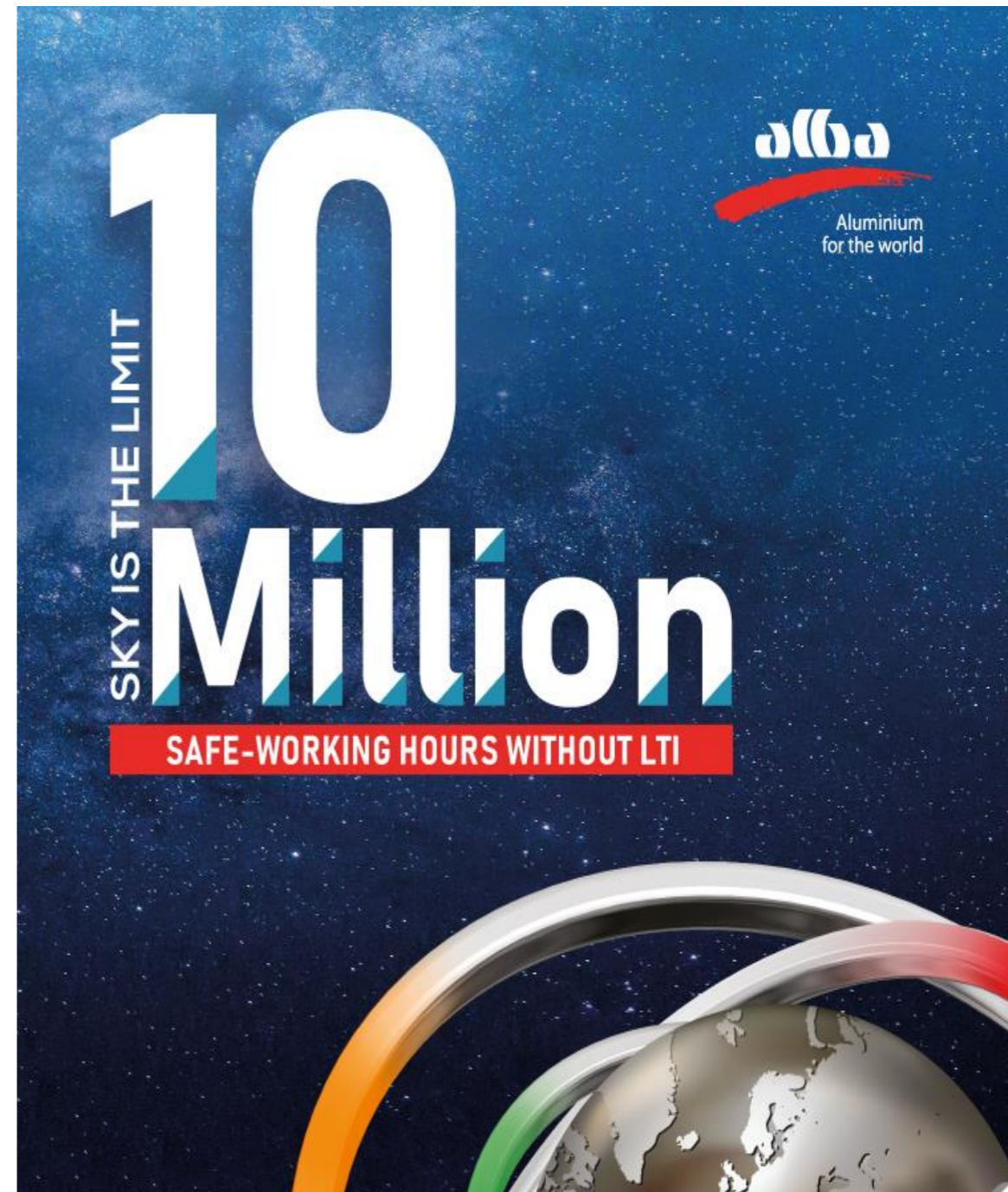
# ALBA HIGHLIGHTS – THINK SAFETY FIRST & ALWAYS



Lost Time Injury (LTI) Trend



Total Recordable Injuries

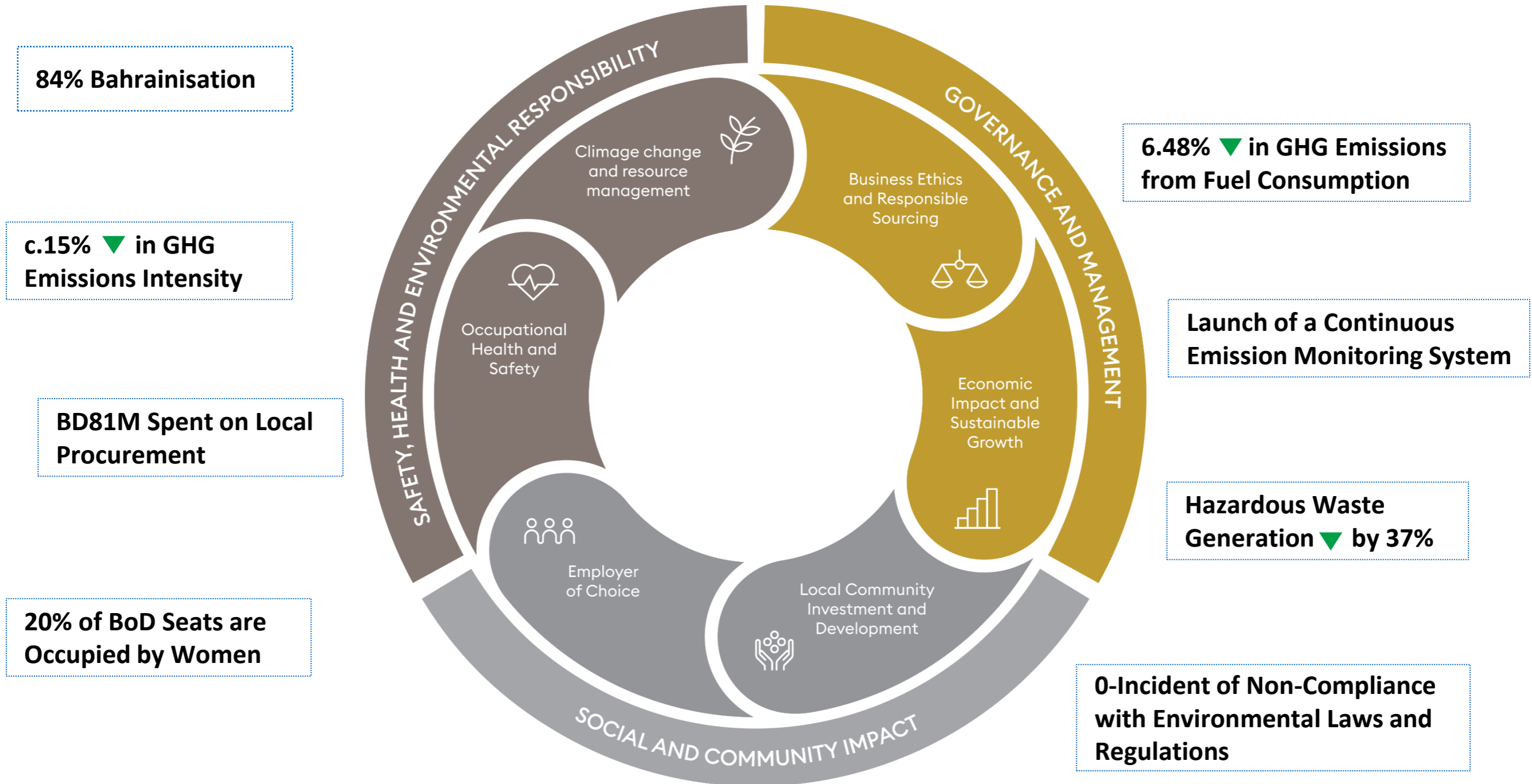
Alba Aluminium for the world

SKY IS THE LIMIT

# 10 Million

SAFE-WORKING HOURS WITHOUT LTI

# ALBA SUSTAINABILITY FRAMEWORK



## ALBA HIGHLIGHTS: THE COME BACK IS STRONGER THAN THE SETBACK



### Operational Highlights & Milestones

- 🌐 People-Focused: 199 National employees promoted across Alba's plant in January 2021
- 🌐 Alba's new Vision, Mission and Values revealed at the inaugural session of CEO Majlis 2021
- 🌐 Sales' volume topped 355,450 metric tonnes (MT), down by 6% YoY while Production reached 381,933 MT, down by 2% YoY
- 🌐 Value Added Sales averaged 62% of the total shipments
- 🌐 Natural gas price set at US\$3.75/MMBTU till 31 March 2022
- 🌐 Spent Pot Lining (SPL) Treatment Plant in progress - overall progress exceeded 75%

## 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

## ALBA HIGHLIGHTS

### Financial Key Performance Indicators

- 🌐 **EBITDA driven by higher LME prices and lower cost**
- 🌐 Q1: US\$240 million up by 80% YoY
- 🌐 **Net Income driven by EBITDA levels**
- 🌐 Q1: US\$139 million up by 807% YoY
- 🌐 **Free-Cash (Out) Flow impacted by changes in the Working Capital**
- 🌐 Q1: (US\$4 million) down by 105% YoY

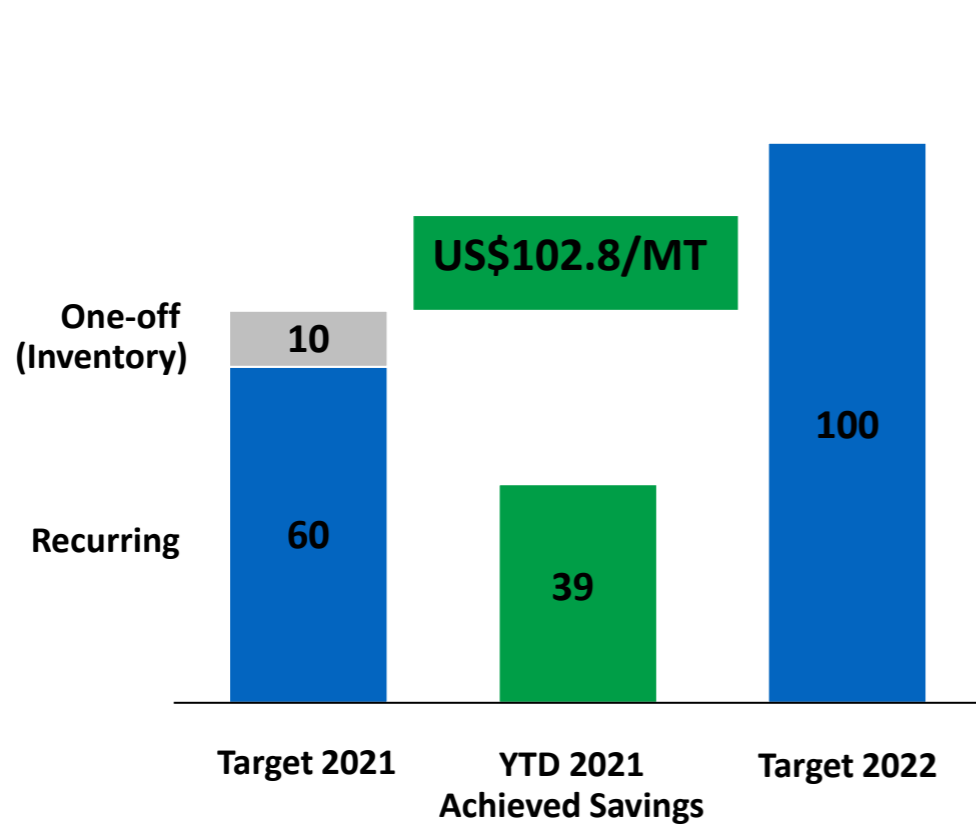




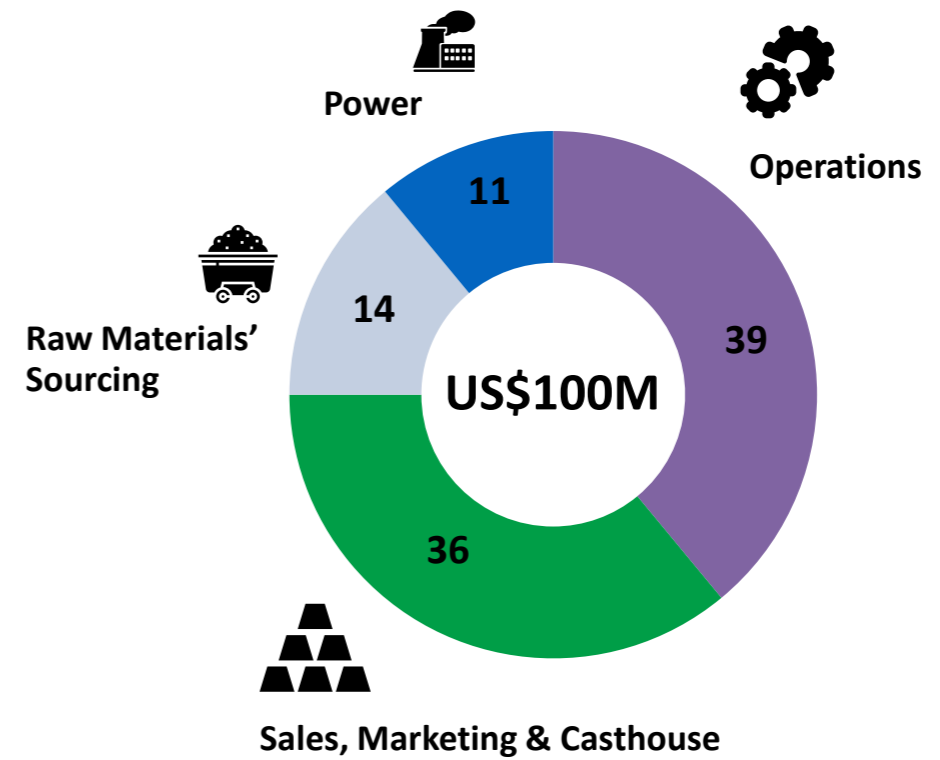
# ALBA HIGHLIGHTS

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

AL HASSALAH (US\$ Million)



Breakdown by Value Chain



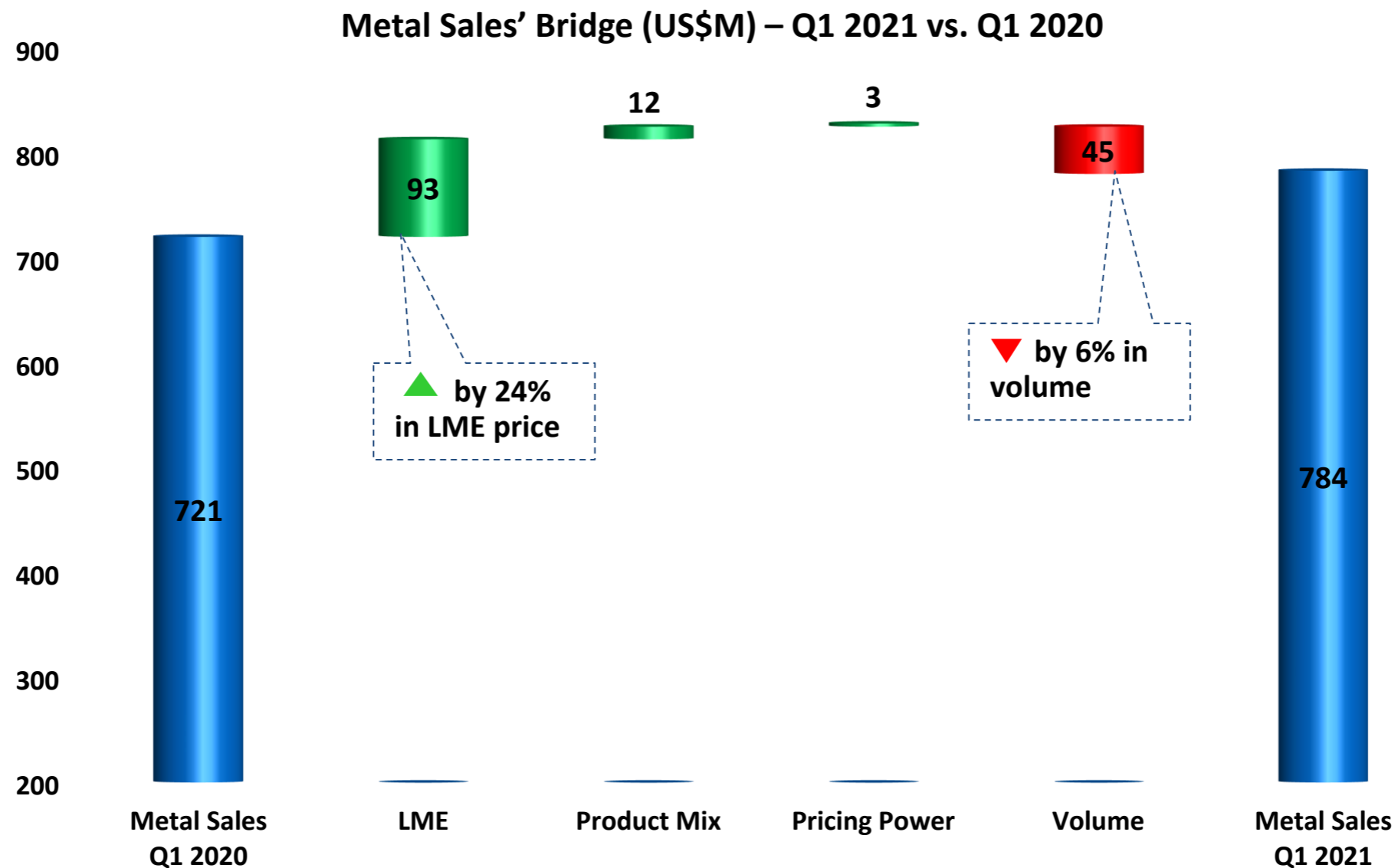


# 03

## Q1 2021 RESULTS

# ALUMINIUM INDUSTRY: STRONG FUNDAMENTALS LIFT LME PRICES

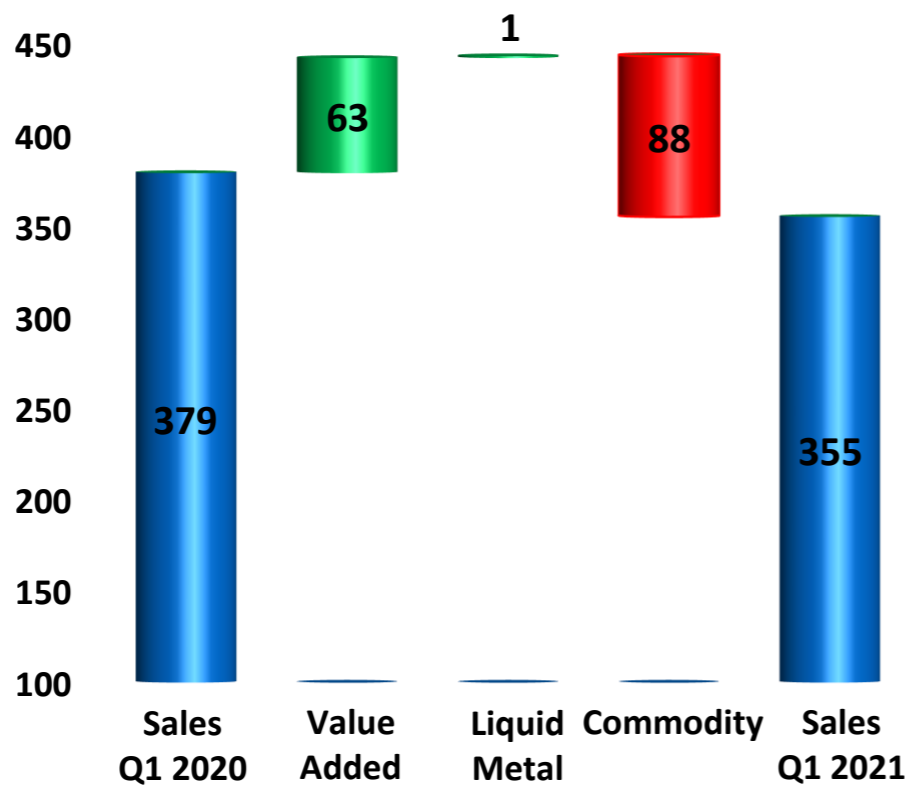
Metal Sales Bridge Analysis: Q1 2021 vs. Q1 2020  
Higher LME Prices Partially Offset by Lower Sales' Volume



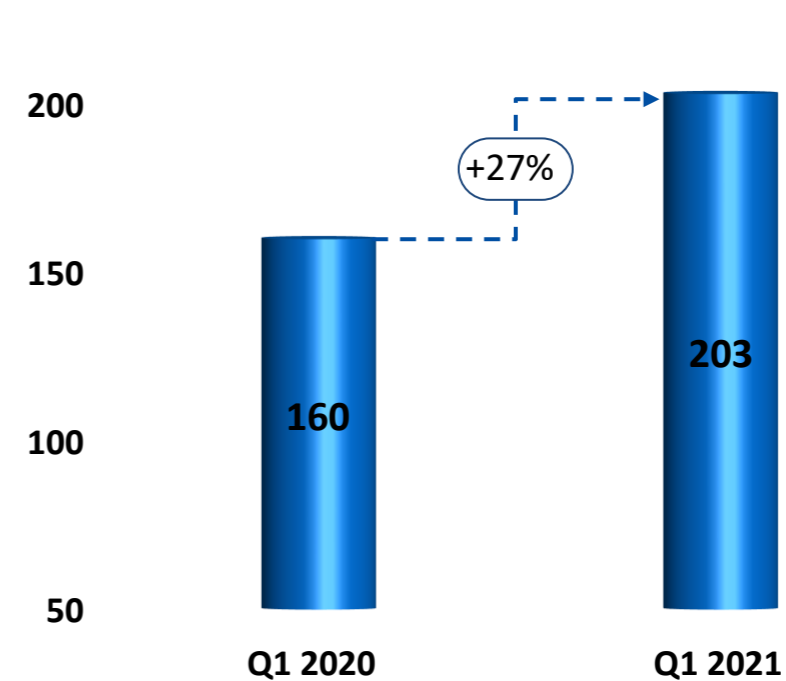
# ALUMINIUM INDUSTRY: STRONG FUNDAMENTALS LIFT LME PRICES

Higher VAP | Higher Premiums | Lower Commodities' Volume

Sales by Product-Line Bridge (MT'000)  
Q1 2021 vs. Q1 2020



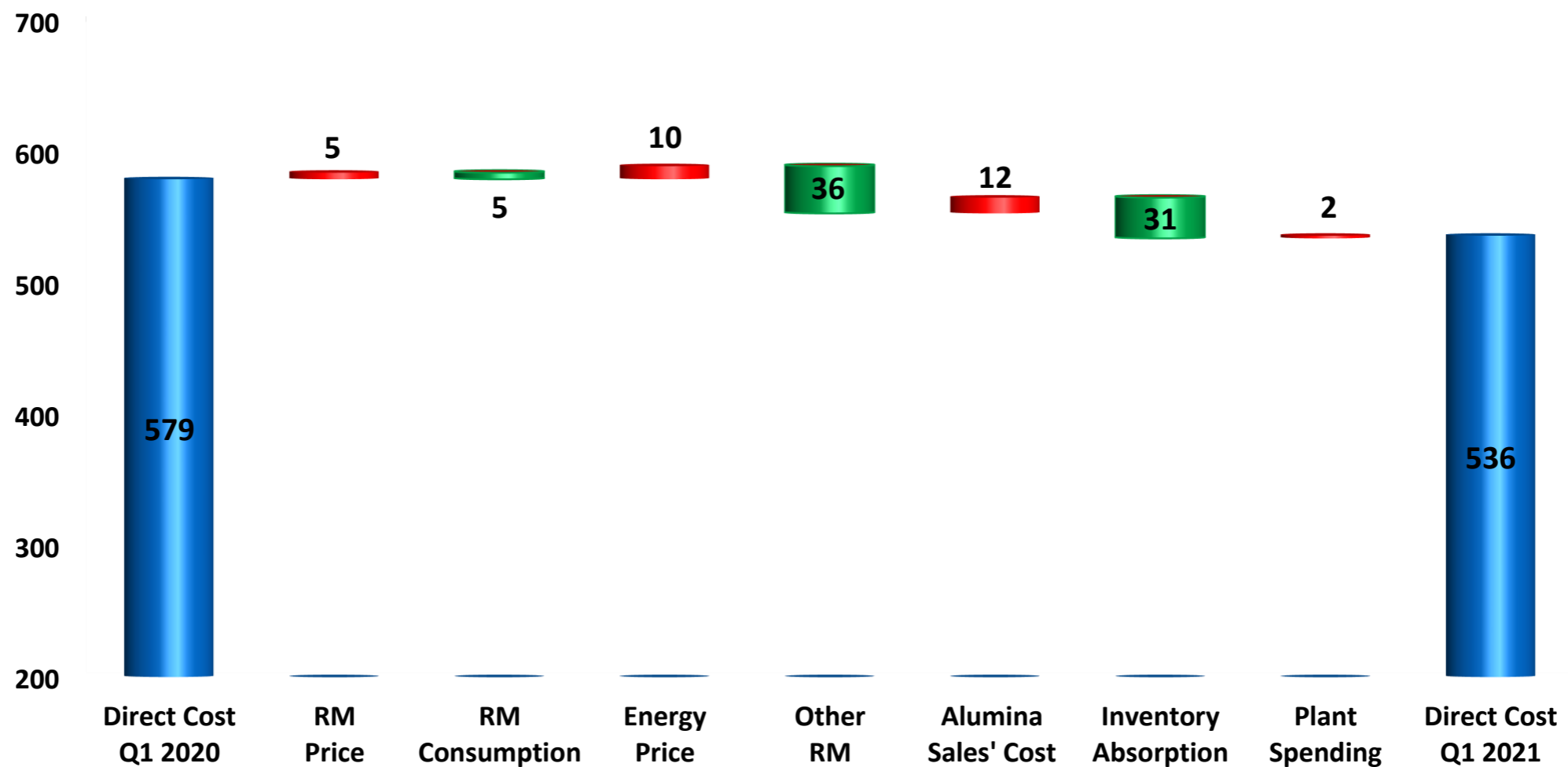
Premium Above LME Trend US\$ Per MT



# ALUMINIUM INDUSTRY: STRONG FUNDAMENTALS LIFT LME PRICES

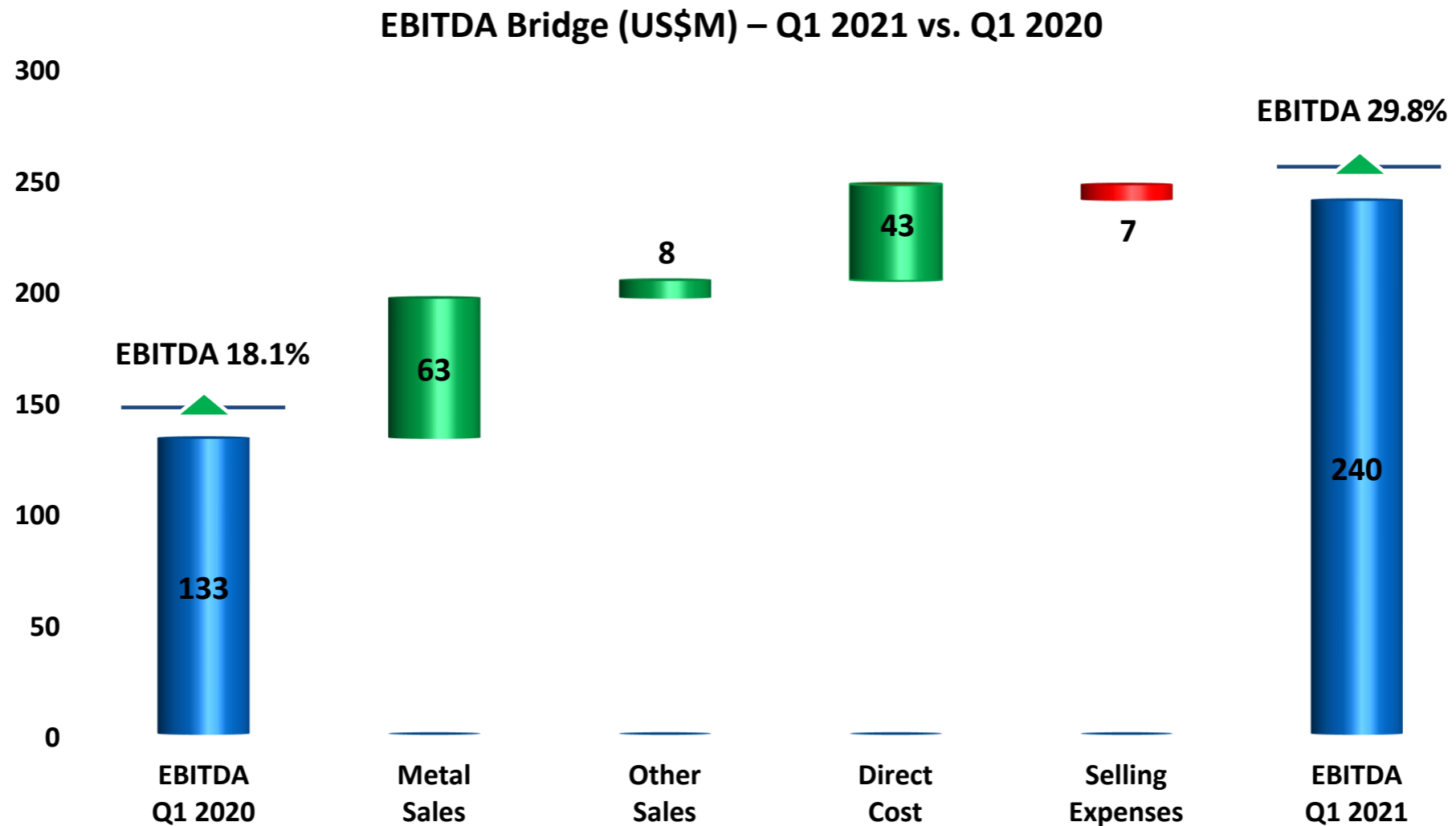
Cost Analysis Q1 2021 vs. Q1 2020  
Lower Direct Cost Due to Lower Sales' Volume and Lower Other RM Prices

Direct Cost Bridge (US\$M) – Q1 2021 vs. Q1 2020



# ALUMINIUM INDUSTRY: STRONG FUNDAMENTALS LIFT LME PRICES

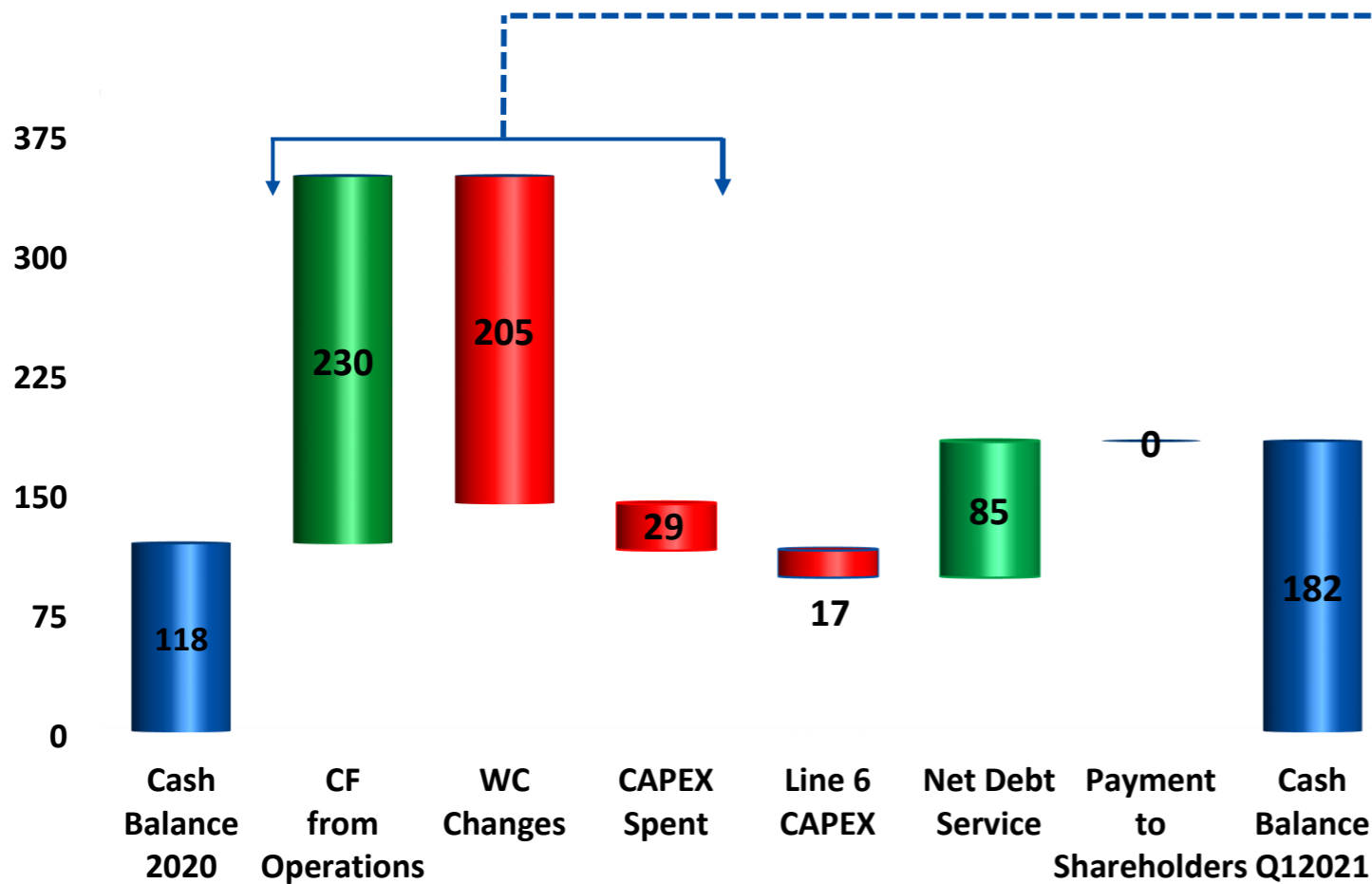
EBITDA Bridge Gap Analysis – Q1 2021 vs. Q1 2020  
Higher EBITDA Thanks to Higher VAP Sales and Lower Direct Cost



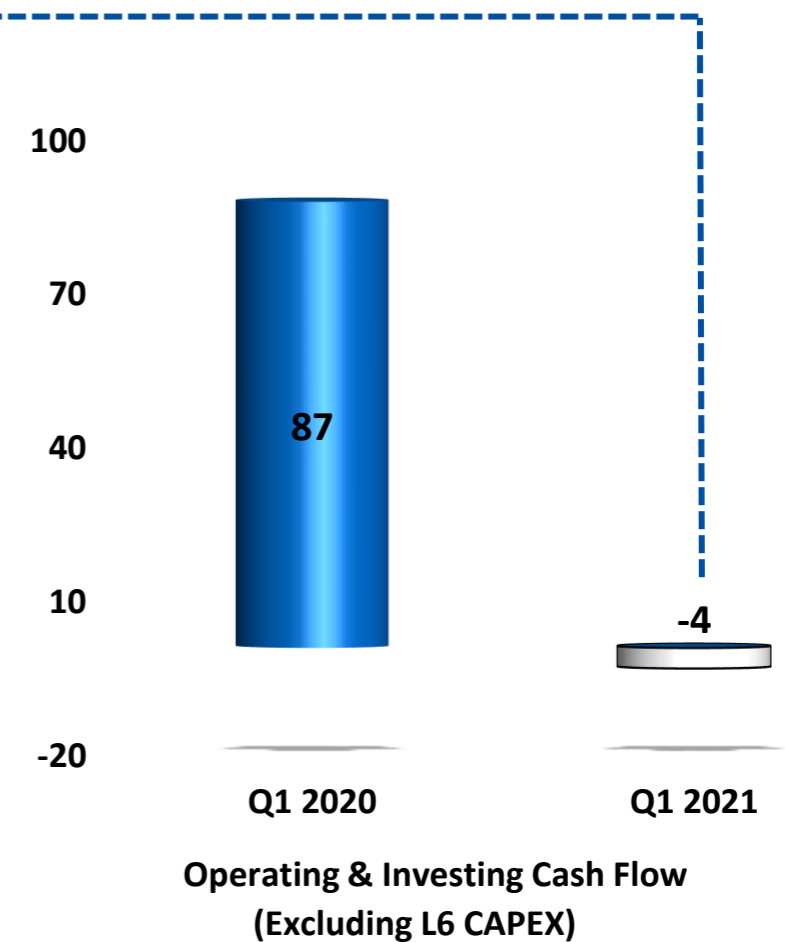
# ALUMINIUM INDUSTRY: STRONG FUNDAMENTALS LIFT LME PRICES

## Cash-Flow Bridge – FY 2020 to Q1 2021

FY 2020 to Q1 2021 Cash-Flow Bridge (US\$M)



Free Cash Flow (US\$M)



## ALUMINIUM INDUSTRY: STRONG FUNDAMENTALS LIFT LME PRICES

### Good Financial Performance Thanks to High LME Prices

Financial Summary	Q1 2021	Q1 2020
Average Cash LME (US\$/MT)	2,092	1,690
Average Alumina Price (US\$/MT)	298	296
Total Sales <sup>1</sup> (US\$M)	805	734
EBITDA (US\$M)	240	133
EBITDA%	29.8%	18.1%
Net Income (US\$M)	139	15
Gain/(Loss) Unrealised Derivatives	1	(8)
Adjusted Net Income <sup>2</sup>	138	23





# 04

## INDUSTRY PERSPECTIVES<sup>1</sup> IN 2021

## INDUSTRY PERSPECTIVES IN 2021

### Global Physical Demand to Remain Healthy

- ① Aluminium market experienced major changes to its dynamics since start of 2021. Low carbon world & strong emphasis on ESG will bring market disruption owing to a transition to clean energy
- ① Aluminium in super-cycle phase driven by infrastructure-led spending will accelerate global aluminium consumption (back to pre-pandemic levels)
- ① China will remain a net importer of primary aluminium (coal-fired smelters at risk)
- ① Physical premiums to further increase to compensate for freight costs. US Midwest is expected to rally thanks to low stocks and to attract imports from duty paying countries
- ① LME price to range between US\$2,100/t – US\$2,200/t

## INDUSTRY PERSPECTIVES IN 2021

### Raw Materials Price Trends

- Alumina price to remain under pressure amidst higher availability of spot cargoes
- Aluminium Fluoride (ALF3) price to slightly increase thanks to higher demand
- Green Petroleum Coke (GPC) and Liquid Pitch prices are set to remain at the higher range to offset supply-demand gap owing to refineries' cut-down of their production



# 05

## 2021 ALBA PRIORITIES<sup>1</sup>

## 2021 ALBA PRIORITIES

### Forward Focus & Journey Towards Safety Excellence

- 🌐 Evolve Towards Safety Excellence & Keep Alba's Intrinsic Assets Safe Amidst COVID-19
- 🌐 Lead by Example & Support the Government's Initiative by Taking COVID-19 Vaccine. Aim is to have > 75% 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 & Continuous Dialogue with Hangzhou Jinjiang Group Co. Ltd
- 🌐 Capitalise on Aluminium Stewardship Initiative and Ecovadis Certifications to Penetrate New Markets & Increase VAP Sales
- 🌐 Complete Spent Pot Lining Treatment Plant as per Timeline
- 🌐 Focus on Green and Sustainable Initiatives
- 🌐 Release Alba's Fifth Edition of Sustainability Report by end of Q2 2021



06

APPENDIX – Q1 2021

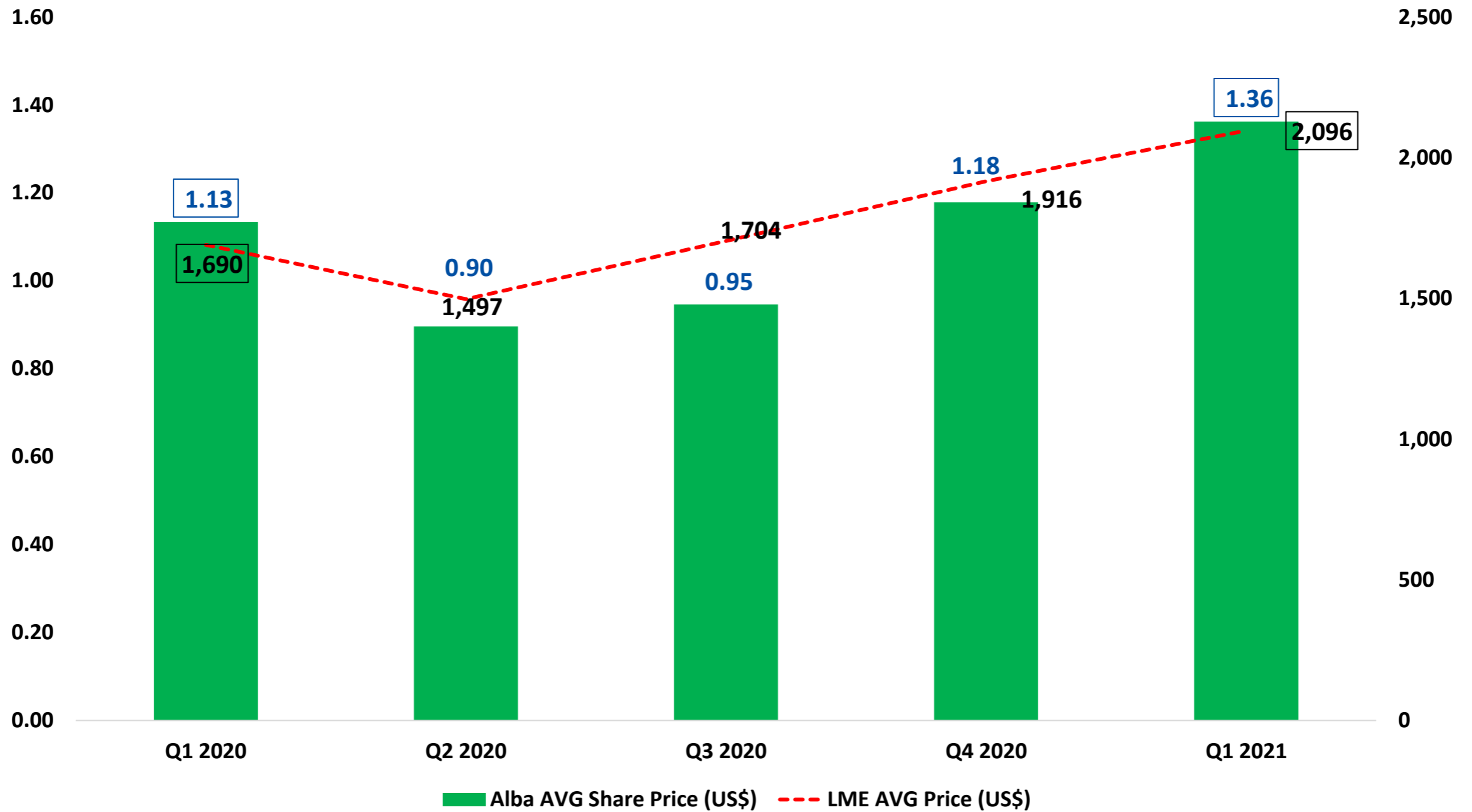
## ALBA SHAREHOLDER'S STRUCTURE



- 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 516 on 31 March 2021]

# ALBA SHARE PRICE YoY PERFORMANCE

Alba Share Price Vs. LME (US\$)







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