



Aluminium
for the world

A vertical line with a small sphere at the top, positioned to the left of the main title.

INVESTOR RELATIONS PRESENTATION

Q1 2018



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INDUSTRY HIGHLIGHTS¹

¹Industry Highlights are based on CRU analysis





Industry Highlights – Q1 2018

Global Physical Demand to Continue to Grow

- 🪐 World consumption up by 4% YoY
- 🪐 Asian demand up by 5% YoY supported by Chinese demand (+5% YoY)
- 🪐 MENA demand rose up by 8% YoY mainly driven by major infrastructure spending in KSA (+18% YoY)
- 🪐 North America continues to report solid demand (+3% YoY) supported by auto production
- 🪐 Europe consumption up by 3% YoY due to strong demand in transport (auto body sheet) and construction sectors





Industry Highlights – Q1 2018

Global Production Growth Almost Flat

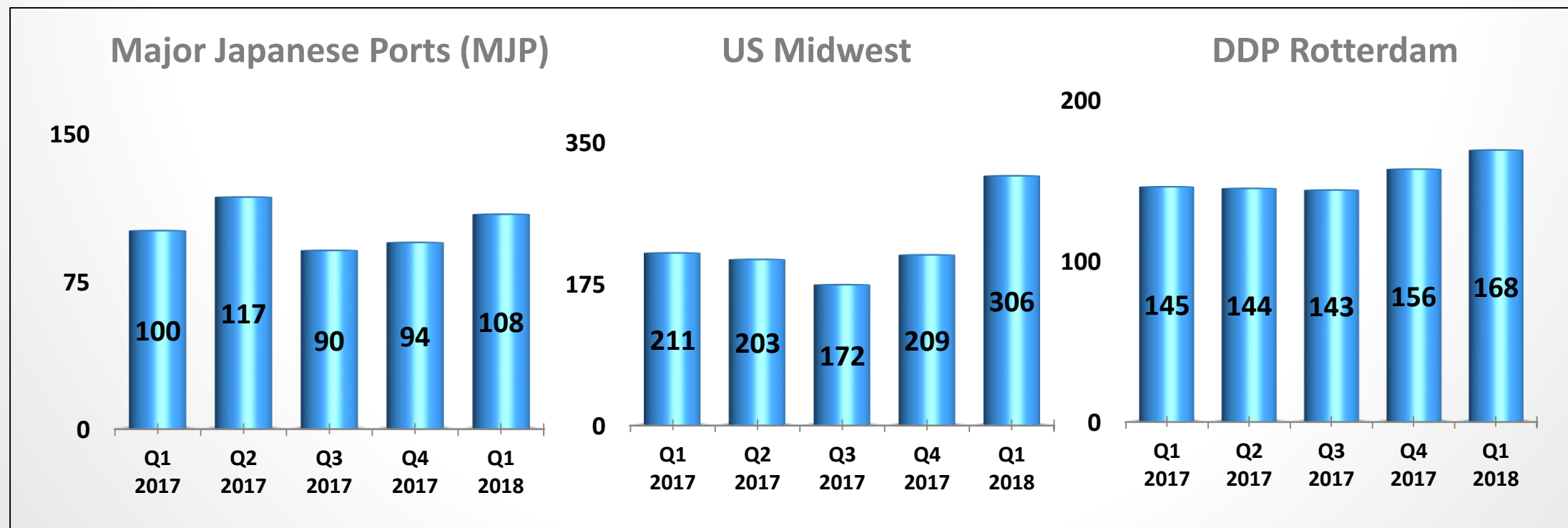
- 🪐 Chinese supply dips by ~ 1.5% YoY due to slower ramp-ups and winter closure restarts
- 🪐 North America supply dropped by 5% YoY [idle capacity to restart in Q3 2018]
- 🪐 World market in surplus with China (+22 Kt) and in deficit w/o China (-533 Kt)



Industry Highlights – Q1 2018

LME & Premiums

- 🪐 LME inventories at ~ 1.3 million mt as of March-end
- 🪐 Q1 2018 Cash-Average was \$2,159 /t with LME ranging between \$1,997/t on March 29 and \$2,226/t on February 19
- 🪐 Physical premiums prices on the rise:



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ALBA HIGHLIGHTS



Alba Highlights – Q1 2018

Operational Highlights & Achievements

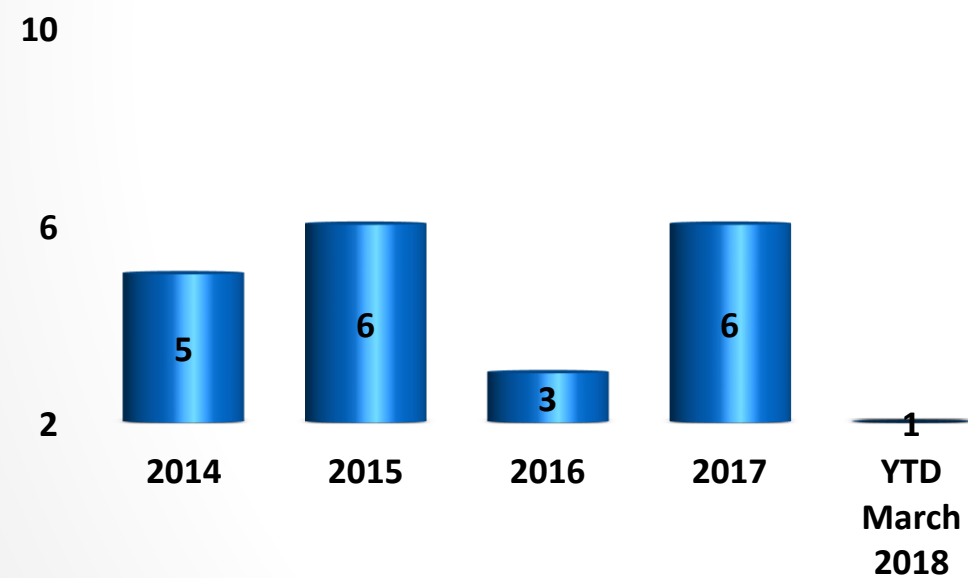
- 🚀 Driving continuous improvement in Plant Safety with the launch of 'Safety ABC' Campaign
- 🚀 Sales volume up by 3.6% YoY (251,637 mt) and production up by 4.3% YoY (259,399 mt)
- 🚀 Alba Value-Added Sales averaged 58% of total shipments in Q1
- 🚀 Line 6 Expansion Project Milestones:
 - Line 6 Smelter [overall progress: 49%]
 - Power Expansion Project [PS 5 & PDS overall progress: 58% & 82%]



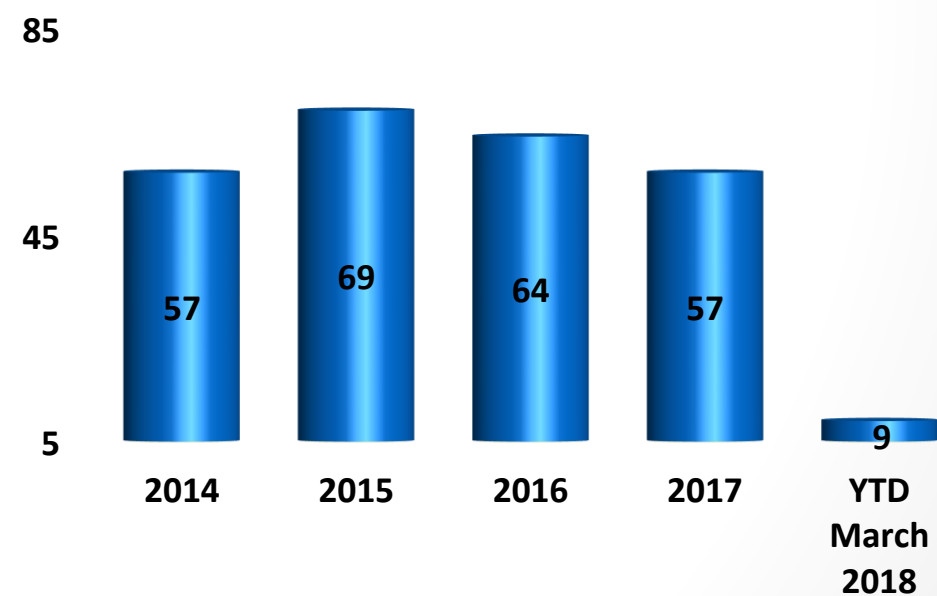
Alba Highlights – Q1 2018

Safety in Focus - Safety Selfie

Lost Time Injury (LTI) Trend



Total Recordable Injuries Trend



Alba Highlights – Q1 2018

Financial Key Performance Indicators

- 🪐 **EBITDA up driven by higher LME prices and Favourable Management Performance**
- 🪐 Q1: US\$126 million up by 9% YoY
- 🪐 **Adjusted Net Income up driven by higher EBITDA levels**
- 🪐 Q1: US\$ 80 million up by 16% YoY
- 🪐 **Free-Cash Flow ¹ favourable due to higher LME prices**
- 🪐 Q1: US\$ 141 million up by 1,145% YoY
- 🪐 **Alba paid a dividend of US\$ 98 million in March 2018**

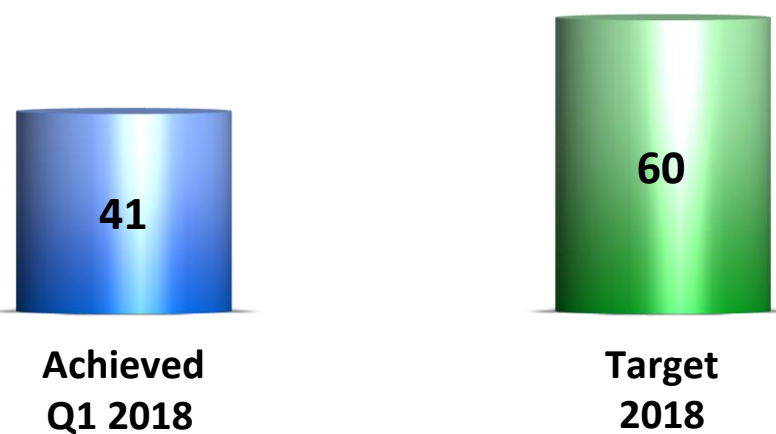
¹Free Cash Flow excluding Line 6 CAPEX spending



Alba Highlights – Q1 2018

Project Titan - Phase III: Improve Cash Cost Structure by US\$ 60/MT
Q1 2018: Achieved Benefits of US\$ 41/ MT

Project Titan - US\$ per MT



* Achieved Benefits from Project Titan represent the annual US\$ cost per mt improvement once all projects are fully implemented



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Q1 2018 Results

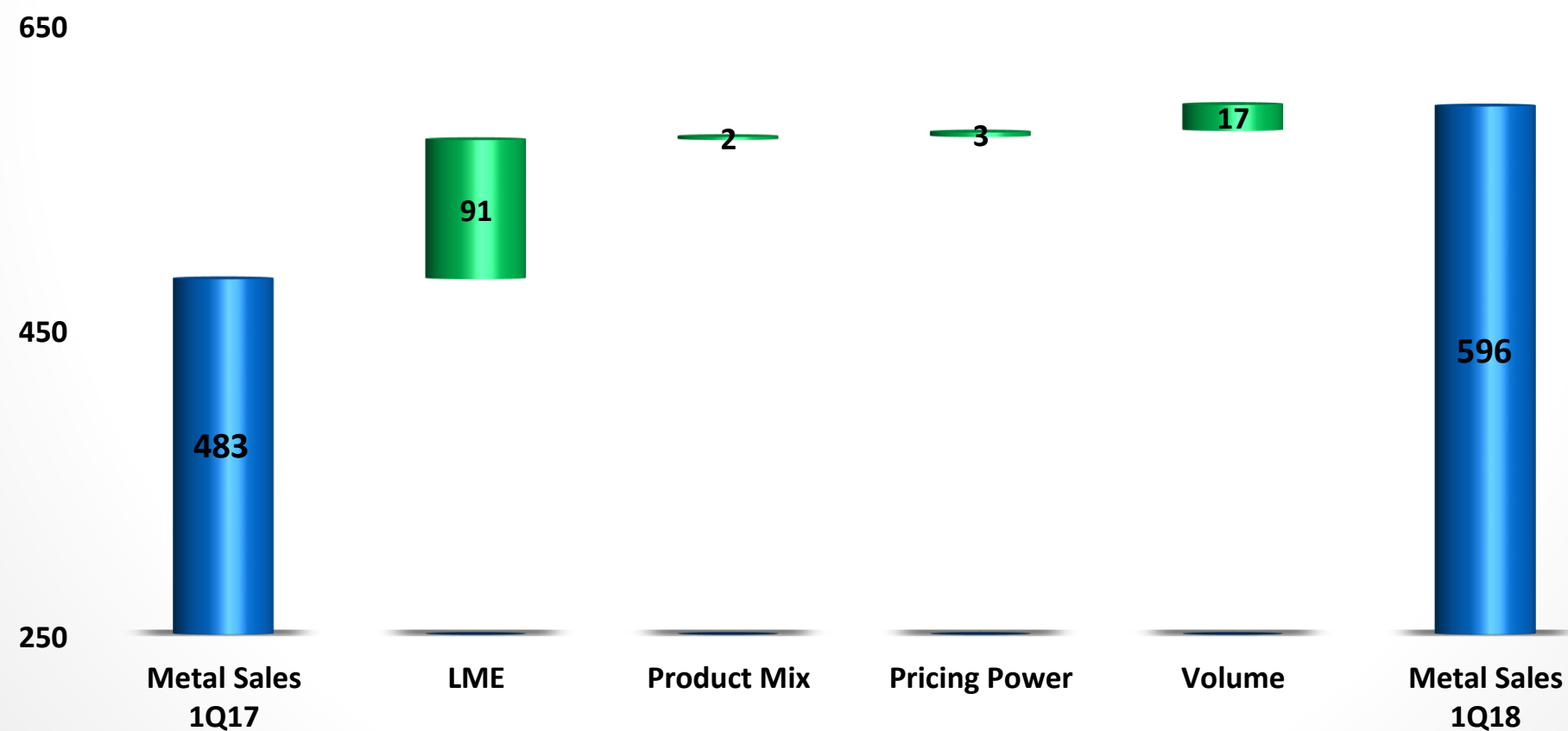


Q1 2018 Results

Aluminium Industry: Rally in LME Prices

Sales Bridge Analysis Q1 2018 vs. Q1 2017
Favourable Management Performance Coupled With Higher LME Prices

Q1 2018 vs. Q1 2017 - Metal Sales Bridge (US\$M)

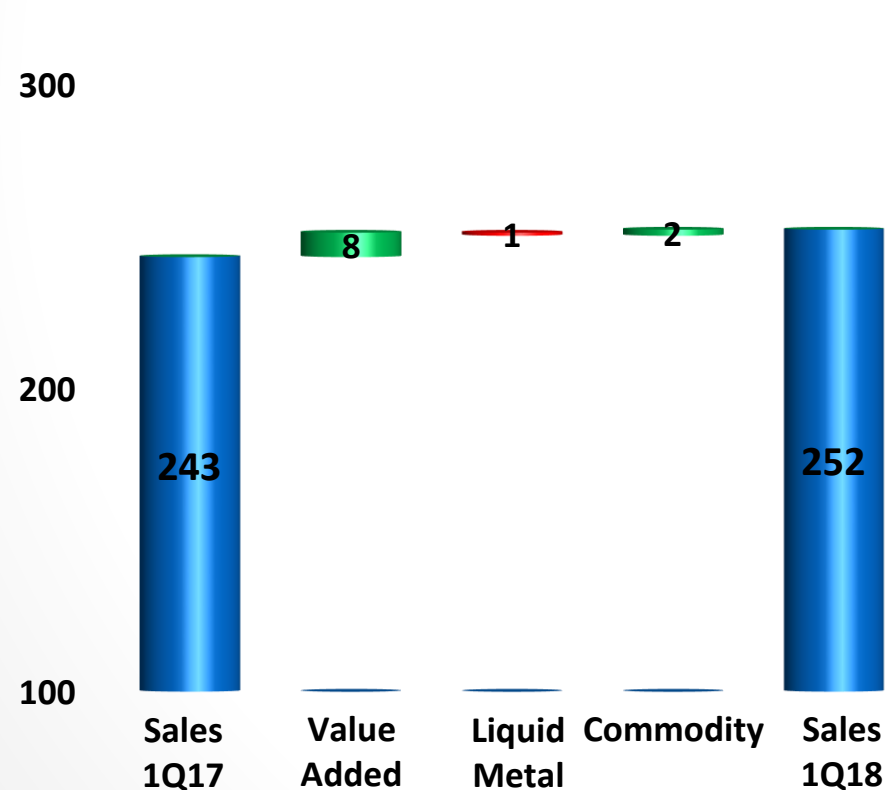


Q1 2018 Results

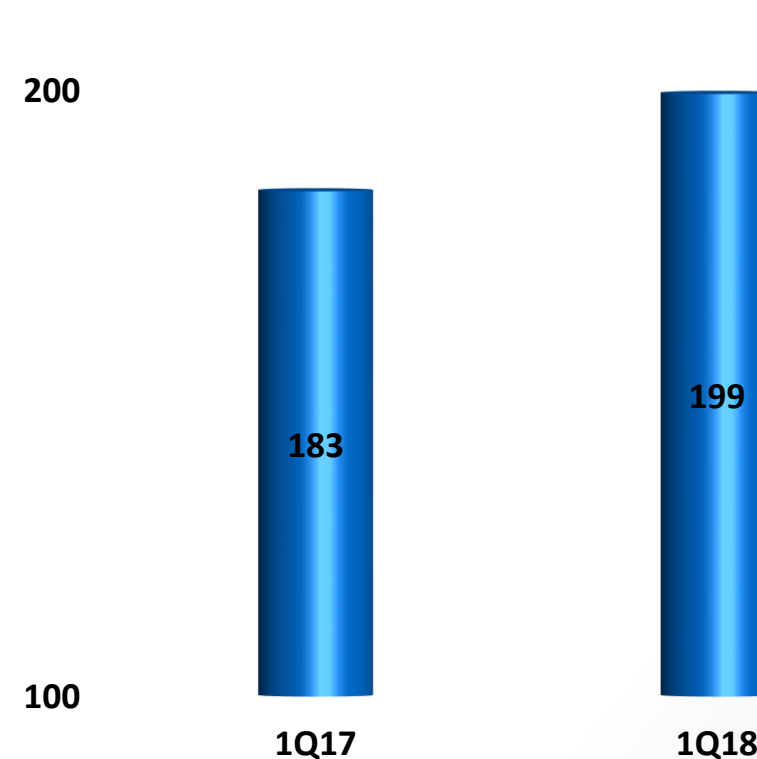
Aluminium Industry: Rally in LME Prices

Higher Sales Volume Denominated by Favourable Shift in Product Mix

Q1 2018 vs. Q1 2017
Sales by Product Line Bridge (MT'000)



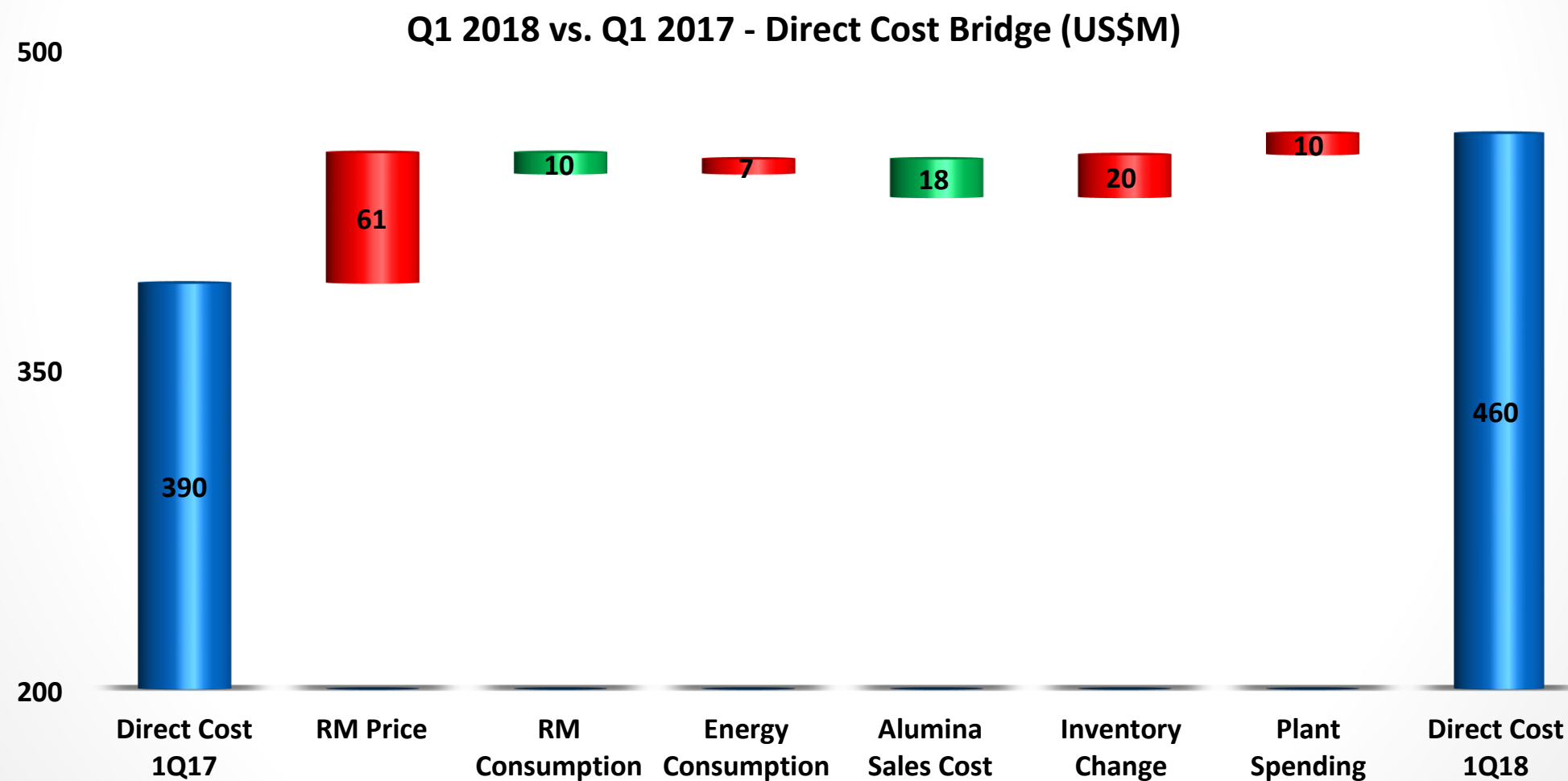
Premium Above LME Trend US\$ Per MT



Q1 2018 Results

Aluminium Industry: Rally in LME Prices

Cost Analysis Q1 2018 vs. Q1 2017

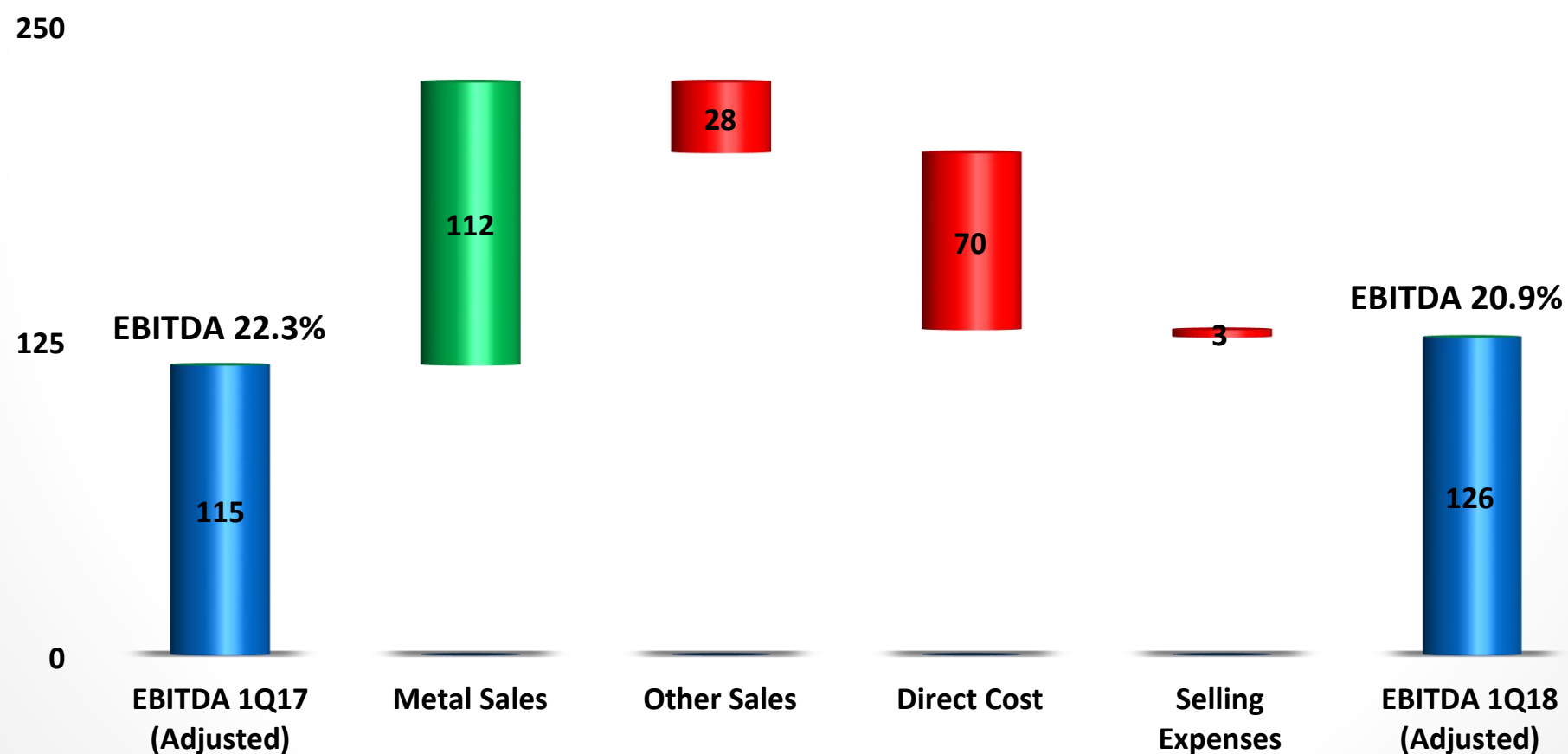


Q1 2018 Results

Aluminium Industry: Rally in LME Prices

Adjusted EBITDA Bridge Gap Analysis - Q1 2018 vs. Q1 2017
Adjusted EBITDA Margin at 20.9%

Q1 2018 vs. Q1 2017- EBITDA Bridge (US\$M)



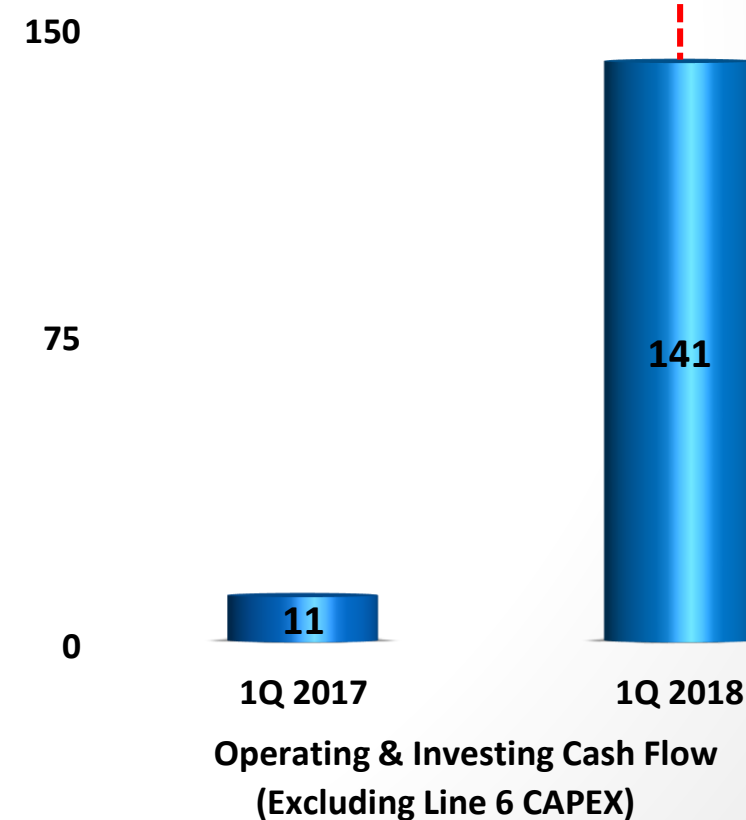
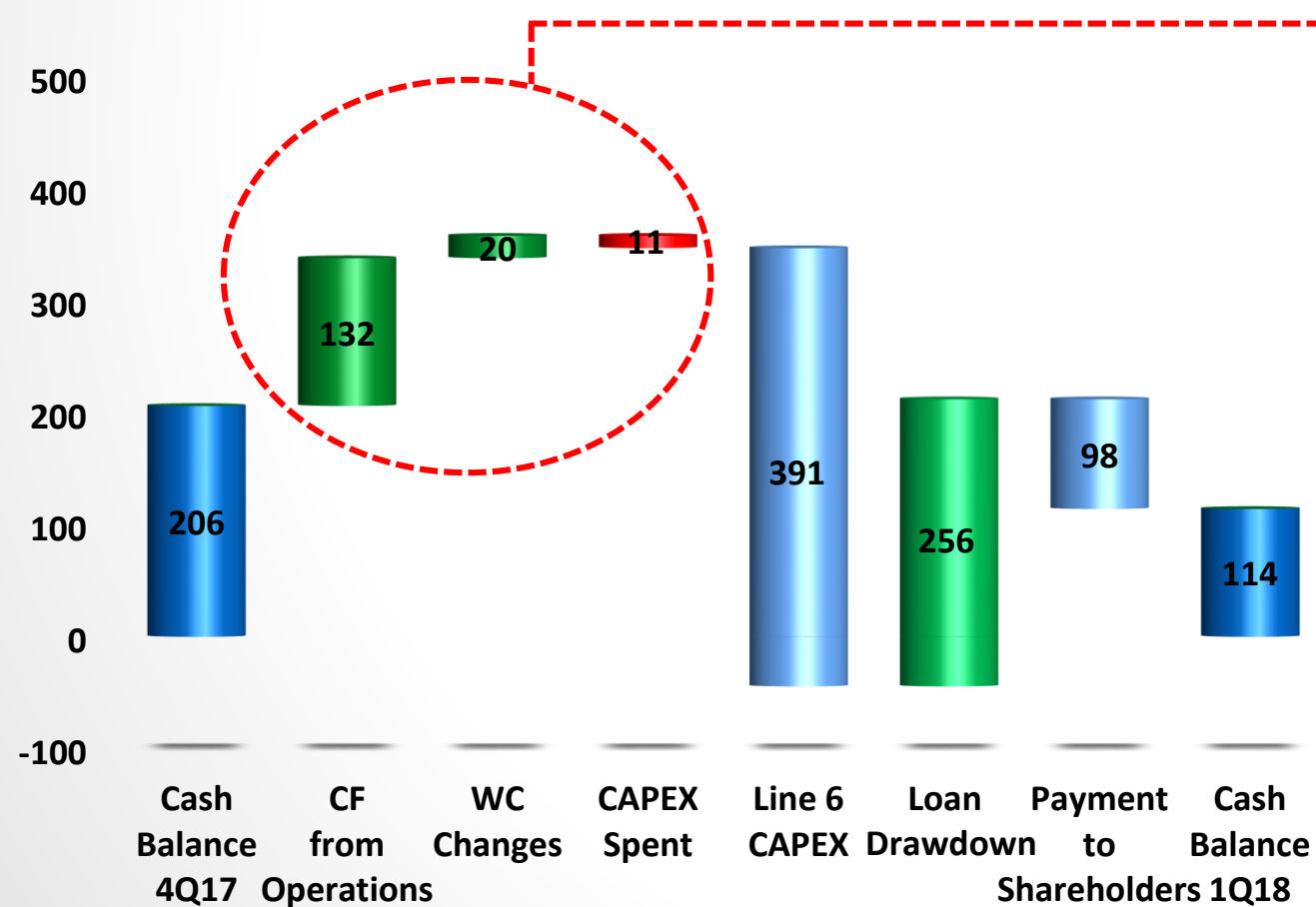
Q1 2018 Results

Aluminium Industry: Rally in LME Prices

Cash Flow Bridge - Q4 2017 to Q1 2018: Maintain Good Cash Position

Q4 2017 to Q1 2018 Cash-Flow Bridge (US\$M)

Free Cash-Flow (US\$M)



Q1 2018 Results

Aluminium Industry: Rally in LME Prices

Favourable Management Performance

Financial Summary	Q1 2018	Q1 2017
Average Cash LME (US\$/MT)	2,159	1,850
Sales (US\$M)	600	517
EBITDA (US\$M)	126	115
EBITDA%	20.9%	22.3%
Net Income/ (Loss) (US\$M)	90	68



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INDUSTRY PERSPECTIVES IN 2018



Industry Perspectives in 2018

Global Physical Demand to Remain Healthy

- 🪐 **Key factors to be observed:**
- 🪐 LME volatility to continue on the back of Rusal Sanctions, US tariffs and Chinese output
- 🪐 World market to face supply shortages thanks to US sanctions on Russia and Hydro's production cuts in Brazil (→surge in premiums)
- 🪐 North America demand is set to increase supported by residential construction market and automotive production
- 🪐 MENA output to accelerate on the back of infrastructure spending
- 🪐 LME price to range between \$2,150/t - \$2,250/t





Industry Perspectives in 2018

Raw Materials Price Trends

- 🪐 Alumina spot prices to increase on the back of Alunorte production cuts and Rusal sanctions
- 🪐 Green Petroleum Coke (GPC) prices will continue to be high due to supply constraints
- 🪐 Liquid Pitch and Aluminium Fluoride prices are set to be at higher-range due to continued environmental regulations in China



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2018 ALBA PRIORITIES



2018 Alba Priorities

Sustainable Improvement & Preparation for Future Growth

- 🪐 Focus on Safety Selfie Initiative
- 🪐 Deliver on Project Titan - Phase III [2018: 1 Million MT & US\$ 60/t]
- 🪐 Leverage strong physical demand on Value-Added Sales
- 🪐 Focus on future upstream opportunities
- 🪐 Line 6 on Schedule
 - Close final tranche of ECA-covered facility
 - Award remaining packages by Q2 2018





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