



Media Release – 13 February 2020

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 Full-Year 2019 Audited Consolidated Financial Statements posted at [www.albasmelter.com](http://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 Full-Year and Fourth Quarter of 2019 are summarised below:

## ***Alba Announces its Financial Results for the Fourth Quarter and Full-Year of 2019***

### **Q4 2019 and Full-Year 2019 Financial Performance**

Aluminium Bahrain B.S.C. (Alba) (Ticker Code: ALBH), the world's largest aluminium smelter ex-China, has reported a Profit and Total Comprehensive Income of **BD13.82 million (US\$36.76 million)** for the fourth quarter of 2019 versus a Loss and Total Comprehensive Loss of BD17.54 million (US\$46.65 million) for the same quarter of 2018, an increase of 179% Year-over-Year (YoY). The Company reported a Gross profit of **BD44.77 million (US\$119.08 million)** for the fourth quarter of 2019 versus a Gross loss of BD8.37 million (US\$22.26 million) for the same quarter of 2018, an increase of 635% YoY. With regards to the Revenue from Contracts and Customers, Alba reported **BD293.67 million (US\$781.05 million)** in Q4 2019, versus BD211.52 million (US\$ 562.56 million) in Q4 2018, up by 39% YoY. The Company reported Basic and Diluted Earnings per Share in this quarter **fi10** versus a Diluted Loss per Share of **fi13** in Q4 2018.

For the Full-Year of 2019, Alba generated a Profit and Total Comprehensive Income of **BD5.38 million (US\$14.31 million)**, down by 91% YoY, versus BD59.76 million (US\$158.92 million) in 2018. The Company reported a Gross Profit of **BD90.22 million (US\$239.95 million)** versus BD 84.99 million (US\$226.04 million) up by 6% YoY. The Revenue from Contracts and Customers reached **BD1,029.38 million (US\$2,737.7 million)** in 2019, up by 13% YoY, compared to BD911.3 million (US\$2,423.7 million) in 2018. Basic and Diluted Earnings per Share were **fi4** for 2019, versus **fi42** for 2018. Overall, the



Company's financial performance was driven by higher metal sales' volume thanks to Line 6 ramp-up and was partially offset by lower LME prices (down by 15% YoY).

Alba's Board of Directors have proposed to pay a final dividend of BD0.001 per share (excluding the treasury shares) totalling **BD 1,412 thousand (US\$3,755 thousand)** to 2019 and subject to the shareholders' approval on the Annual General Meeting on Sunday 08 March 2020.

As at 31 December 2019, Alba's Total Assets stood at **BD2,420.25 million (US\$6,436.84 million)**, versus BD2,208.89 million (US\$5,874.71 million) as at 31 December 2018, up by 10% YoY. Total Shareholders' Equity as at December 31, 2019 stood at **BD1,078.57 million (US\$ 2,868.54 million)**, versus BD1,073.47 million (US\$2,854.97 million) as at 31 December 2018.

### 2019 Industry Highlights

- Global primary aluminium demand contracted in 2019 thanks to weaker economic growth landscape in Europe and China, trade-tensions and slow global manufacturing. As a result, the World consumption reached 64.5 million metric tonne (MT) [2018: 65 million MT] with Asia consumption down by 1% YoY with Japan and South Korea leading this decline, Europe demand slowed-down by 2% YoY due to weaker demand in the auto sector, North America demand collapsed by 4% YoY due to a decline in manufacturing; in addition, MENA consumption shrunk by 5% YoY fuelled by geopolitical tension.
- World production almost flat - stood at 63.4 million MT [2018: 63.8 million MT] with Asian supply down by 1% YoY supported by Chinese supply disruptions [a drop of 2% YoY]; however, production in North America rallies by 4% YoY on the back of smelters' restarts. This has led the World market to be in deficit with China (-1,028 Kt) & (-492 Kt) w/o China.
- LME inventories at ~1.4 million MT in December 2019 [~ 1.3 million in 2018].
- LME-cash averaged US\$1,792/t, down by 15% YoY.
- Physical premium prices continue to soften owing to a mild global recession and weaker demand.

### 2019 Alba Highlights

- Closed 2019 with >15 million working-hours w/o LTI for the first time in the history of Alba's commercial operations.
- Sales' volume reached 1,350,326 metric tonnes (MT) up by 33% YoY.
- Production topped 1,365,005 MT up by 35% YoY.
- Successfully Refinanced US\$1.5 Billion Syndicated Loan Facility with Lower Interest Margin.



- Signed Regain as the technology partner for its Spent Pot Lining (SPL) Treatment Plant - the first of its kind in GCC [capacity to treat 30k-35k metric tonne/year].
- Alba is now the largest smelter in the world w/o China thanks to the safe ramp-up of Line 6:
  - Line 6 was commissioned in 23 months [vs. 30 months for other similar projects]
  - CAPEX for Line 6 construction <US\$4,000/MT

## 2020 Alba Priorities

- Continued Focus on 'Safety Globe' Initiative.
- Deliver on Project Titan - Phase IV [Projected Savings of US\$100 Million by 2020-end].
- Focus on Future Upstream Opportunities to secure Alumina requirements.
- Value-Added Sales' Product Qualification with Aluminium Stewardship Initiative (ASI) and Ecovadis certifications.
- Roll-out Alba's new Vision, Mission and Values.
- Deliver SPL treatment plant as per timeline.

Aluminium Bahrain B.S.C. (Alba) released its Full-Year and Fourth Quarter 2019 Results during a meeting of the Company's Board of Directors on Thursday 13 February 2020. In addition, Alba's Board of Directors approved the appointment of Mr. Ali Al Baqali as the Chief Executive Officer with immediate effect.

Commenting on Alba's 2019 financial performance, the Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa said:

"It is encouraging to see that Alba has closed 2019 strong despite a challenging year for the industry.

2019 was a great year as we have recorded many firsts in Alba's history: breakthrough record in Safety, Production and Sales' volume thanks to our people.

With Mr. Al Baqali as the realm of Alba in this next chapter of growth, our Company is better positioned for further success."

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

"Despite a weak market sentiment, we have made 2019 an exceptional year by focusing on what we control best at all times: Safety, Production and Cost.

It is an honour and privilege to serve Alba as the Chief Executive Officer and I look forward to work together with Alba's Board of Directors as we go beyond Line 6.



I also want to thank all Alba employees and contractors for a great 2019 and look forward to more accomplishments.”

Alba Management will hold a conference call on Monday 17 February 2020 to discuss Alba's performance for the 2019 Full-Year Results as well as outline the Company's priorities for 2020.

Mr. Al Baqali has been part of the Alba family for more than two decades and brings years of leadership and honed experience from within the Company. As a Bahraini who grew from within Alba, Mr. Al Baqali believes that Alba's growth and success depend heavily on the Company's entrenched principles on Safety, Development of Human Capital, Social and Civic Responsibility as well as Community Development.

Mr. Al Baqali is a professional member of the Chartered Institute of Purchasing & Supply (CIPS), UK; Board member of the International Aluminum Institute (IAI), INJAZ, Saint Christopher's School and Tenmou, the first Bahraini Business Angels Company. Ali holds a B.Sc. degree in Accounting from the University of Bahrain and an MBA from the French Arabian Business School - ESSEC.

**ENDS**

#### **Photo Caption**

- 1) Alba's Chairman of Board of Directors – Sh. Daij bin Salman bin Daij Al Khalifa
- 2) Alba's Chief Executive Officer – Ali Al Baqali
- 3) Alba's Board of Directors

#### **About Alba**

Bahrain was the first country in the Arab region to start an aluminium smelter. Starting-out as a 120,000 metric tonne per annum (mtpa) smelter in 1971, Alba today is a 1-plus million-metric tonnes smelter. Alba's product portfolio comprises high-grade aluminium and Value-Added Products that include standard and T-ingots, extrusion billets, rolling slabs, properzi ingots and molten aluminium

Alba is listed on both the Bahrain Bourse and London Stock Exchange, and the Company's shareholders are Bahrain Mumtalakat Holding Company (69.38%), SABIC Industrial Investment Company (20.62%) and the General Public (10%).

Entering its fifth decade of commercial operations, Alba is rightly regarded as a pioneer in the industrial history of both - the Gulf region and Bahrain - carving an enviable reputation in Safety, Employee Development and sustainable operations.

#### **About Line 6 Expansion Project**

Alba's Line 6 Expansion Project was inaugurated by His Majesty King Hamad Bin Isa Al Khalifa the King of the Kingdom of Bahrain on 24 November 2019. Line 6 Expansion Project has made Alba the world's largest smelter ex-



China. Potline 6 will boost Alba's per-annum production by 540,000 metric tonnes, bringing Alba's total production capacity to 1.54 million metric tonnes per year.

With a CAPEX of approximately US\$3 billion, the Line 6 Expansion Project was the largest brownfield expansion in the region. The Project comprised: construction of sixth pot line utilising EGA's proprietary DX+ Ultra Technology, a 1,792 MW Power Station (Power Station 5) and other industrial services.

Bechtel was the EPCM contractor for the Line 6 Expansion Project smelter. For Power Station 5 (PS5), GE and GAMA Consortium was awarded the EPC contract, while Siemens was the Power Distribution System contractor.

Alba started 106 pots in Line 6 on 26 March 2019 followed by another 106 pots on 18 April 2019. Alba Potline 6 was commissioned on 13 December 2018 with the delivery of the First Hot Metal ahead of its schedule. Alba also announced an achieved savings of more than US\$370 million in the execution of Potline 6 – corresponding to 16% savings of its allotted budget.

The Line 6 Expansion Project achieved a total of 60,893,000 working-hours without Lost Time Injury as on 21 November 2019.

One of Bahrain's flagship asset, the Line 6 Expansion Project will be transformational to Bahrain and its people. Alba will continue to focus on the local and regional downstream cluster and seek opportunities to contribute further to the economic diversification of the Kingdom.

### **Alba External Grievance Mechanism**

Alba, in line with the Performance Standards of the International Finance Corporation (IFC), a World Bank affiliated lending organisation, has launched its External Grievance Mechanism to receive and facilitate the resolution of the affected communities' concerns and grievances about Alba's Environment and Social (E&S) performance.

External grievances about Alba's E&S performance can be logged via the [Alba Integrity Line](#) - an independently operated confidential reporting hotline in multiple languages - via a toll-free phone system or via the intranet 24 hours a day, every day.

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