



Alba Reports Q2 2019 Results

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 Condensed Consolidated Interim Financial Statements as at 30 June 2019 which are posted at www.albasmelter.com.

Alba's official Press Release and full set of Financial Statements are also available on [Bahrain Bourse website](#).

Alba's results for the Second Quarter & First Half of 2019 are summarised below:

Q2 2019 and H1 2019 Financial Performance

Alba's top-line and bottom-line for the second quarter and first-half of 2019 were primarily impacted by lower LME price - a drop of 21% Year-over-Year [US\$1,793/t in Q2 2019 versus US\$2,259/t in Q2 2018] - and partially offset by higher Sales' volume.

The Company generated a Total Comprehensive Loss of **BD3.3 million (US\$8.8 million)** in the second quarter of 2019 versus a Total Comprehensive Income of BD29.1 million (US\$77.4 million) for the same period in 2018, down by 112% YoY. The Company posted a Gross Profit of **BD15.4 million (US\$40.9 million)** versus BD34.3 million (US\$ 91.4 million) in Q2 2018, down by 55% YoY. With regards to Total Sales/Revenues, Alba reported **BD245.0 million (US\$651.8 million)** in Q2 2019, up by 0.4% YoY, compared to BD243.9 million (US\$648.9 million) in Q2 2018. Earnings per share (EPS) in this quarter were **fiIs (2)** versus fiIs 21 in Q2 2018.

With regards to the First Half of 2019, Alba reported a Total Comprehensive Loss of **BD19.1 million (US\$50.9 million)**, down by 130% YoY, compared to a Total Comprehensive Profit of BD62.9million (US\$167.4 million) in H1 2018. The Company posted a Gross Profit of **BD16.2 million (US\$43.2 million)** versus BD74.3 million (US\$ 197.7 million) for H1 2018, down by 78% YoY. Total Sales/Revenues reached **BD448.6 million (US\$1,193 million)**, down by 4% YoY, compared to BD465.2 million (US\$1,237.2 million). Earnings per share were **fiIs (14)** versus fiIs 44 in H1 2018.

Alba's Total Assets as at 30 June 2019 stood at **BD 2,384.2 million (US\$6,341 million)** versus BD 2,208.7 million (US\$5,874.3 million) as at 31 December 2018, up by 8% YoY. Total Shareholders' Equity as at 30 June 2019



stood at **BD1,054.1 million (US\$2,803.5 million)**, down by 2% YoY, versus BD1,073.5 million (US\$2,855 million) as at December 31, 2018.

Q2 2019 Industry Highlights

- US-China trade-tensions and geopolitical events have taken its toll on investors and added bearish dimension to the overall market sentiment. Primary demand dropped in North America and Europe due to cyclical slowdown in economic activity; stimulus measures adopted by the Chinese Government have failed to create activity in key market-sectors such as auto and construction [+1% Year-over-Year (YoY)] and MENA consumption slowed down (+1% YoY) on the back of weaker construction activities. Consumption in Saudi Arabia retreated to 1-digit growth of 5% YoY with Ma'aden rolling-mill full ramp-up completion.
- Global production had a modest growth of 1% YoY. Russia, India and Bahrain were the largest contributors to the world ex-China smelter production increase. On the other hand, the North America supply growth gained momentum after 2018 lacklustre (+8% YoY).
- World market in deficit with China (529 Kt) & (205 Kt) without China.
- LME inventories at ~1 million metric tonne (mt) as of June-end (down by 11% YoY). LME-Cash averaged US \$1,793/t - down by 21% YoY and physical premium prices remain under pressure.
- Alumina price is still relatively high – 20% of LME price.

Q2 2019 Alba Highlights

- Achieved 8 Million working-hours without Lost Time Injuries on 08 July 2019.
- Production up by 21% YoY to reach 305,727 metric tonnes (mt) while Sales' volume up by 25% YoY to top 311,928 mt and Value-Added Sales averaged 52 % of total shipments in Q2 2019.
- Line 6 Expansion Project Milestones:
 - Line 6 Smelter: Handover of remaining pots for Safe Start-Up
 - Line 6 Smelter's Overall Progress advanced by > 96%
 - Power Expansion Project [PS5 > 95% & PDS > 99%]
- The achieved benefits of Titan – Phase IV are **US\$12 million**



2019 Alba Priorities

- Ensure the Safe Start-up of Last Hot Metal with a strong focus on Safety.
- Deputy CEO Mr. Ali Al Baqali to be Acting CEO effective 01 August 2019.
- Deliver on Project Titan -Phase IV [US\$40 million by 2019-end].
- Value-Added Sales' Product Qualification Associated with Line 6 Ramp-up.
- Develop Upstream Opportunities on Alumina.

The Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa said:

"Alba will soon be transformed into the world's largest aluminium smelter with the smooth integration of Potline 6 into its existing operations in the upcoming weeks.

Alongside this transformation, we will also see the change of reign in the top management from Tim Murray to Ali Al Baqali who will lead Alba as the Acting CEO, effective 1st August, as we continue to seek further efficiency and growth."

Commenting on Alba's performance in Q2 2019, Alba's Chief Executive Officer Tim Murray stated:

"The economic uncertainty and lower LME prices have taken its toll on the aluminium industry but in Alba, we have emerged stronger with progressing the ramp-up of Line 6. I also thank all Alba employees and contractors for their unwavering support and focus on Safety at all times."

Alba's Deputy CEO Ali Al Baqali added:

"As we progress with Line 6 full ramp-up, we look forward to finish 2019 strong in our top-line and bottom-line results.

I also take this opportunity to thank our Chairman Shaikh Daij Bin Salman Bin Daij Al Khalifa and Alba's Board of Directors for placing their trust in me to lead Alba as we begin this new chapter of growth. I also thank Tim Murray for his leadership and guidance as the CEO as well as the Executive Management team for their support."

Alba Management will be holding the quarterly conference call on Monday 29 July 2019 to present and discuss Alba's financial performance for the second quarter of 2019 as well as outline the Company's priorities for the remainder of the year.