



Media Release – Monday 03 May 2021

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 First Quarter 2021 Condensed Consolidated Interim Financial Information 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 Financial Results for the First Quarter of 2021 are summarized below:

Alba Discloses its Financial Results for the First Quarter of 2021

Q1 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 **BD52.2 million (US\$138.8 million)** for the **first quarter of 2021, up by 807% Year-over-Year (YoY)**, versus a Profit of BD5.8 million (US\$15.3 million) for the same period in 2020. The Company reported **Basic and Diluted Earnings per Share** of **fi1s 37** for **Q1 2021** versus Basic and Diluted Earnings per Share of fi1s 4 for the same period in 2020.

The Total Comprehensive Income for **Q1 2021** stood at **BD58.4 million (US\$155.4 million)** versus Total Comprehensive Loss for the first quarter of 2020 of BD1.6 million (US\$4.3 million) – **up by 3,539% YoY**. **Gross Profit** for **Q1 2021** was **BD80.5 million (US\$214 million)** versus BD33.5 million (US\$89.2 million) for the same period in 2020 – **up by 140% YoY**.

With regards to the **Revenue** in **Q1 2021**, Alba generated **BD302.7 million (US\$805.1 million)** versus BD275.9 million (US\$733.8 million) in Q1 2020 - **up by 10% YoY**.

Total Equity as at **31 March 2021** stood at **BD1,137.5 million (US\$3,025.4 million)**, **up by 5%**, versus BD1,079.5 million (US\$2,871.1 million) as at 31 December 2020. Alba's **Total Assets** as at **31 March 2021** were **BD2,435.5 million (US\$6,477.4 million)** versus BD2,353.7 million (US\$6,259.8 million) as at 31 December 2020 - **up by 3%**.

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Alba's top-line were driven in the first quarter of 2021 by higher LME prices (+24% YoY) and partially offset by lower Sales' volume (a drop of 6% YoY) while the bottom-line was driven by higher top-line and partially impacted by higher depreciation as well as higher General and Selling Expenses.

Industry Highlights: Macroeconomic Recovery & Tight Scrap Market

Consumption

- Aluminium market recovered in Q1 after COVID-19 pandemic left its mark on the world in 2020. World market consumption surge by 17% YoY. More spending/stimulus by Governments across the globe translated in strong metal consumption in many markets. The 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.

Production

- 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].
- Primary Aluminium supply in MENA down by 2% YoY owing to 4% supply cuts in UAE.
- Production in North America down by 1% YoY mainly due to supply-cuts.
- World market in surplus with China (+396Kt) and without China in deficit (-110Kt).

LME inventories at ~1.897 million MT as of 31 March 2021 (up by 63% YoY). LME-cash averaged US\$2,092/MT (+24% YoY).

Alba Safety Highlights

- 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.

Alba Major Operational Highlights

- 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%.
- AL-HASSALAH achieved savings of US\$39 million.

2021 Alba Priorities

- 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.

Commenting on Alba's financial performance for the first quarter of 2021, the Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa stated: "The best way to foresee a sustainable future is to plan it. Alba is where it is today thanks to the guidance and wise directives of Bahrain's leadership as well as their farsighted vision and support towards the Line 6 Expansion Project - which has become a reality - and for trusting us to achieve this landmark project.

I also take the opportunity to thank HRH the Crown Prince and Prime Minister for his thought-decision to freeze natural gas price at US\$3.75/MMBTU for a year. HRH directive reinforces his unlimited support to Alba's growth and development which along with stronger metal demand, higher LME price and continuous improvements in production efficiencies will create greater value for Alba's shareholders.

In terms of business performance, we had a strong come-back and we delivered a solid quarter on many fronts:

- Alba operations continue to run at full run-rate. The higher productivity was made possible thanks to Line 6.
- VAP Sales' volume – highest on record in Alba's history (218,767 metric tonnes).
- A record-high EBITDA margin in the Company's 50-years of commercial operations – 29.8%.
- Highest-ever recorded Profit in a quarter of BD52.2 million (US\$139 million), up by 807% YoY."

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

"If we do what we've always done, we will end-up with what we've always gotten.



We had to think differently, thanks to this pandemic, to advance our performance as a Company on the operational and financial profitability fronts. It's thanks to our agile workforce that we have been able to bounce-back and start 2021 strong. We also take pride in our Safety achievement as we topped collectively more than 10 million safe-working hours without LTI.

I am optimistic about our business and confident that our performance will exceed our ambitious objectives – Safety Excellence, higher productivity, lean operations as we move forward in 2021.”

Alba Management will hold a conference call on Tuesday 04 May 2021 to discuss Alba's financial and operational performance for Q1 2021 as well as outline the Company's priorities for 2021.

ENDS

Photo Caption

Shaikh Daij bin Salman bin Daij Al Khalifa, Alba's Chairman of the Board of Directors
Ali Al Baqali, Alba's Chief Executive Officer

About Aluminium Bahrain B.S.C. (Alba)

[Ticker: ALBH]

Alba is the world's largest aluminium smelter ex-China with a production of more than 1.548 million metric tonnes per annum (mtpa) (2020). With a dual listing on Bahrain Bourse and London Stock Exchange, the Company's shareholders are Bahrain Mumtalakat Holding Company B.S.C. © (69.38%), SABIC Industrial Investment Company (SIIC) (20.62%) and General Public (10%).

In addition to molten metal, our diverse Value-Added Product (VAP) portfolio includes Foundry grade re-melt products (T-Ingots, Standard Ingots and Properzi Bars), Rolling Ingots (Slabs), Extrusion Ingots (Billets) and Unalloyed P1020 re-melt products. Around 79% of our products - from customised alloys to a variety of surface finishes -- are exported to more than 150 global customers through our sales offices in Europe, Asia, Singapore, and subsidiary office in the U.S.

Alba Campus comprises six Reduction Lines, three Power Stations, four Casthouses, four Carbon Plants along with other ancillary facilities. In addition to primary aluminium production, we also produce 530,000 mtpa of high-quality calcined petroleum coke at our own dedicated Coke Calcining Plant. Alba also yields 9.5 million cubic metres of potable water per annum from its dedicated seawater desalination plant.

Alba has carved an enviable reputation in Safety, Environment and Health, Sustainability and Quality Management. It is one of the few smelters in the world to have achieved Zero Lost Time Injuries (LTI) in 2019. Alba was recognized during 2020 with five categories of National Safety Council (NSC) awards - USA and Gold Medal Health and Safety Award from the Royal Society for the Prevention of Accidents (RoSPA) – UK. Alba was also awarded with the International Safety Award from British Safety Council (BSC) – UK in March 2021.

Alba brings value to its customers with the many globally-recognised certifications such as ISO 9001, ISO 45001, ISO 14001 and ISO 27001. Moreover, the Company attained the significant Automotive Quality Management System - IATF 16949 in 2018 and, Bronze Medal by EcoVadis and Aluminium Stewardship Initiative (ASI) Performance Certification in 2020.

Alba is committed to fostering greater sustainability across all our operations. In line with its CSR initiatives, Alba set-up the Region's first-of-its-kind Spent Pot Lining (SPL) Treatment Plant in cooperation with Bahrain's Supreme Council for Environment in 2019 to create a sustainable solution for the treatment of SPL with zero-waste. In 2020, Alba inaugurated its Fish Farm Project in collaboration with the Bahrain National Guard Consumer Association, thus boosting the Kingdom's aquaculture and enriching the biodiversity around Alba's operations.

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Starting out in 1971 as a 120,000 mtpa smelter, Alba has continually delivered value to its customers, shareholders, and stakeholders. As we mark the Golden Jubilee of operations in 2021, we aspire to be more productive, innovative, and sustainable. For more information on Alba, please visit www.albasmelter.com

Alba External Grievance Mechanism

Alba's External Grievance Mechanism receives and facilitates the resolution of any 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,

Alba's External Grievance Mechanism is in line with Performance Standards of the International Finance Corporation (IFC), a World Bank affiliated lending organisation.

Alba Response to COVID-19 Pandemic

2020 was a year like no other and as one of Bahrain's leading industrial companies, Alba's response strategy to COVID-19 was initiated since January 2020 and was based on the guidelines of Bahrain National Taskforce for Combating Coronavirus (COVID-19).

Alba's Executive team adapted an interactive approach from creating personal video messages, visiting shop-floor areas and engaging in virtual daily briefings with its Healthcare Centre team. Alba Management announced work-from-home and reduced working-hours where applicable especially for the female staff, and actioned plant-wide temperature checks for all shifts; social distancing protocols in offices, shop-floor areas and transport vehicles; frequent sanitization of all operational and non-operational areas; distribution of protective kits; installation of hand sanitizer dispensers across the Company and posted multilingual posters in various areas.

Despite COVID-19 outbreak, Alba continued to maintain stable operations thanks to its Business Continuity Plan and Emergency Preparedness Plan and sent-out few Letters of Assurance on Safe operations at Alba to all its stakeholders (customers, suppliers, and regulators) during 2020.

Alba, the Safety of our people – employees and contractors' workers – always comes First. Whilst we continue to follow COVID-19 measures at all times, we remain focused on Safety, Efficient Operations and Lean Cost Structure.

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