



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 Condensed Consolidated Interim Financial Information as of 30 September 2021 which are posted at www.albasmelter.com.

Alba's official press release and full set of Financial Information are also available on [Bahrain Bourse website](#).

Alba's Financial Results for the Third Quarter and 9 Months of 2021 are summarized below:

Alba Reports its Financial Results for the Third Quarter and 9 Months of 2021

Q3 & 9 Months 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 **BD125.9 million (US\$335 million)** for the **third quarter of 2021, up by 1,184% Year-over-Year (YoY)**, versus a Loss of BD11.6 million (US\$30.9 million) for the same period in 2020. The Company reported **Basic and Diluted Earnings per Share of fils 89** for **Q3 2021** versus Basic and Diluted Loss per Share of fils 8 for the same period in 2020. **The Total Comprehensive Income for Q3 2021 stood at BD126.4 million (US\$336.1 million)** versus Total Comprehensive Loss for the third quarter of 2020 of BD11.7 million (US\$31.1 million) – **up by 1,181% YoY**. **Gross Profit for Q3 2021 was BD157.4 million (US\$418.5 million)** versus BD25.7 million (US\$68.3 million) for the same period in 2020 – **up by 513% YoY**. With regards to the **Revenue in Q3 2021**, Alba generated **BD388.9 million (US\$1,034.2 million)** versus BD262.7 million (US\$698.6 million) in Q3 2020 - **up by 48% YoY**.

With regards to the nine months of 2021, Alba has reported a **Profit of BD270.7 million (US\$720 million), up by 1,320% YoY**, versus a Loss of BD22.2 million (US\$59.1 million) for the same period in 2020. The Company reported **Basic and Diluted Earnings per Share of fils 191** for the nine months of 2021 versus Basic and Diluted Loss per Share of fils 16 for the same period in 2020. Alba's Total Comprehensive Income for the nine months of 2021 was **BD275.5 million (US\$732.7 million), up by 974% YoY**, compared to a Total Comprehensive Loss of BD31.5 million (US\$83.8 million) in the same period of 2020. **Gross Profit** for the nine months of 2021 was **BD361.5 million (US\$961.5 million)** versus BD80.9 million (US\$215.1 million) in the same period of 2020 – **up by 347% YoY**. Alba generated in the nine months of 2021 **Revenue of BD1,061.5 million (US\$2,823.2 million)** versus BD782.6 million (US\$2,081.5 million) in the same period of 2020 - **up by 36% YoY**.

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Total Equity as of **30 September 2021** stood at **BD1,356.1 million (US\$3,606.6 million)**, up by **26%**, versus BD1,079.5 million (US\$2,871.1 million) as of 31 December 2020. Alba's **Total Assets** as of **30 September 2021** were **BD2,555.5 million (US\$6,796.6 million)** versus BD2,353.7 million (US\$6,259.8 million) as at 31 December 2020 - up by **9%**.

Alba's top-line were driven in by higher LME prices (55% YoY in Q3 2021 and 46% YoY in 9 months of 2021) and partially offset by lower Sales' volume (a drop of 7% YoY in Q3 2021 and 5% YoY in 9 months of 2021) while the bottom-line for Q3 and 9 months of 2021 was driven by higher top-line and partially impacted by higher Selling and Distribution Expenses.

Industry Highlights in Q3 2021

Strong Market Demand Supported by V-Shape Economic Recovery (+7% YoY)

- Market sentiment has been driven by China supply disruptions, a very strong demand, and a tight physical market – all of which had led LME price to hit 10-year high > US\$2,700/MT.
- Double-digit increase in World ex-China consumption (+16% YoY), Europe's (+16% YoY), and North America's (+13% YoY) – owing to strong rebound in market recovery and economic activity.
- Middle East demand continued to be strong (+18% YoY) supported by higher demand in Bahrain & UAE.
- Chinese consumption almost flat (+1% YoY) due to slow growth in auto and construction market.

Global Production up by 4% YoY despite being at the Mercy of China's Power Constraints

- Power restrictions in China trigger substantial cutbacks in throughput (+3% YoY). In total, 3.1 Mtpa capacity were cut, 1.1 million MT greenfield projects were delayed, and 3.9 million MT expansions were pushed back [power cuts impacting Chinese smelters - Yunnan, Guangxi & Mongolia].
- Aluminium supply in GCC up by 3% YoY due to the 78Kt expansion at Al Taweela smelter while North America supply down by 2% YoY owing to supply cuts at Kitimat smelter in Canada.
- World market swings into deficit with China (-492Kt) and w/o China (-251Kt).
- LME inventories at ~1,230 Kt as of 30 September 2021 (down by 16% YoY).
- Aluminium: immune from macro headwinds that affected other base-metals. LME-Cash averaged US\$2,647/t - up by 55% YoY.

Alba Major ESG Highlights in Q3 2021



- Proud recipients of SafeGuard Hygiene Excellence and Safety Label from Bureau Veritas (BV), and Bronze Medal from Brandon Hall Group Excellence in Learning Awards (Alba's "Al Jisr" Programme -- the first initiative of its kind to boost Bahransisation).
- Recipient of Volunteer Service Award from InJaz Bahrain for contributing 482 volunteer-hours - the highest amongst Bahraini companies.
- Awarded 41 employees who volunteered to participate in InJaz Bahrain.
- 99.7% vaccination rate in c. 3,200 workforce.
- 17 million safe working-hours w/o LTI was achieved on 9 October 2021.
- Safety measures at Alba's campus continue with random rapid tests carried out daily at the Company's gates to Alba employees and contractors' personnel. All guests are to present their COVID-19 vaccine certificates to enter Alba.

Alba Major Operational Highlights in Q3 2021

- Sales' volume at 366,151 metric tonnes (MT), down by 7% YoY, owing to logistics' challenges while Production reached 392,959 MT, up by 2% YoY, thanks to operational efficiencies.
- Value Added Sales averaged 58% of the total shipments [VAP in MT up by 13% YoY].
- Inaugurated the New Jetty Extension & Additional Raw Materials Storage Facilities at the Marine Terminal.
- Soon to release of Alba's Fifth Edition of Sustainability Report (w/ quality assurance).
- First smelter in GCC to publish its ESG Disclosure (climate change reporting) on Carbon Disclosure Project (CDP) - UK.
- Environmental Conservation Project: construction of Spent Pot Lining (SPL) Treatment Plant is completed.

2021 Alba Priorities

- Be the ESG Change We Want to See in the World.
- Evolve Towards Safety Excellence & Keep Alba's Human Capital Safe Amidst COVID-19.
- Support the Government's Initiatives & aim is to have 100% 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 & Continue Dialogue with Hangzhou Jinjiang Group Co. Ltd.
- Capitalise on Aluminium Stewardship Initiative and Ecovadis Certifications to Penetrate New Markets & Increase VAP Sales.
- Commission Spent Pot Lining Treatment (SPL) Plant.



- Focus on Green and Sustainable Initiatives [of which Solar Farm].

Commenting on Alba's stellar financial performance for the 9 months of 2021, the Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa stated:

"Thanks to new-all-time high LME prices in recent months coupled with Alba's production efficiencies and economies of scale, we continued to set benchmarks and reach new all-time records in our performance:

- Our Profit for the third quarter of 2021 has beaten the Profit for the second quarter by US\$88.7 million while our Profit for nine months jumped by 1,320% to US\$720 million.
- EBITDA margin, for the first time in Alba's history, tops 42.6% in Q3 2021 and 36.5% for the nine months of 2021.
- Our production has been on a winning streak since the beginning of 2021: 381,933 metric tonnes (MT) in Q1, 391,954 MT in Q2 and 392,959 MT in Q3.

I take the opportunity to thank the Management team as well as Alba's labor and employees for going above and beyond to score another strong set of results despite the logistics' challenges we are facing and look forward to close 2021 stronger with new precedents on all fronts – financial and operational."

Alba's Chief Executive Officer, Ali Al Baqali, added:

"Alba today joins the US\$700 million club for the first time in its history with its Profits topping US\$720 million for the nine months of 2021. We have reached this all-time record in our profits thanks to the resilience we have gained from Line 6 Expansion Project.

As we accelerate our transformation with a new sense of ESG urgency, we at Alba are open to new possibilities ahead to achieve a sustainable growth. I am also pleased to report that since the beginning of October, we didn't have any COVID-19 infection in our c. 3,200 workforce and no employee was quarantined till-date."

Alba Management will hold a conference call on Monday 01 November 2021 at 3 PM Bahrain Time to discuss its financial and operational performance for Q3 and 9 months of 2021, outline the Company's priorities for 2021 as well as provide an update on the current market conditions and outlook for 2021-2022.