

The logo for Alba, featuring the word "Alba" in a stylized, bold, blue font.

Aluminium
for the world



INVESTOR RELATIONS PRESENTATION

Q3 2018



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INDUSTRY HIGHLIGHTS

¹ Industry Highlights are based on CRU analysis



Industry Highlights – Q3 2018

Global Physical Demand Remain Healthy

- 🪐 World consumption up by 4% YoY
- 🪐 MENA demand hit double-digit growth (+10% YoY) driven by major infrastructure spending in Saudi Arabia (+25% YoY)
- 🪐 Demand in Asia up by 5% YoY led by Chinese consumption
- 🪐 Europe consumption up by 3% YoY thanks to sound demand across Building & Construction (B&C) and transport sectors
- 🪐 Demand in North America rose by 2% YoY driven by auto production (heavy-duty trucks) & construction sector



Industry Highlights – Q3 2018

Global Production Grow at Slow Pace

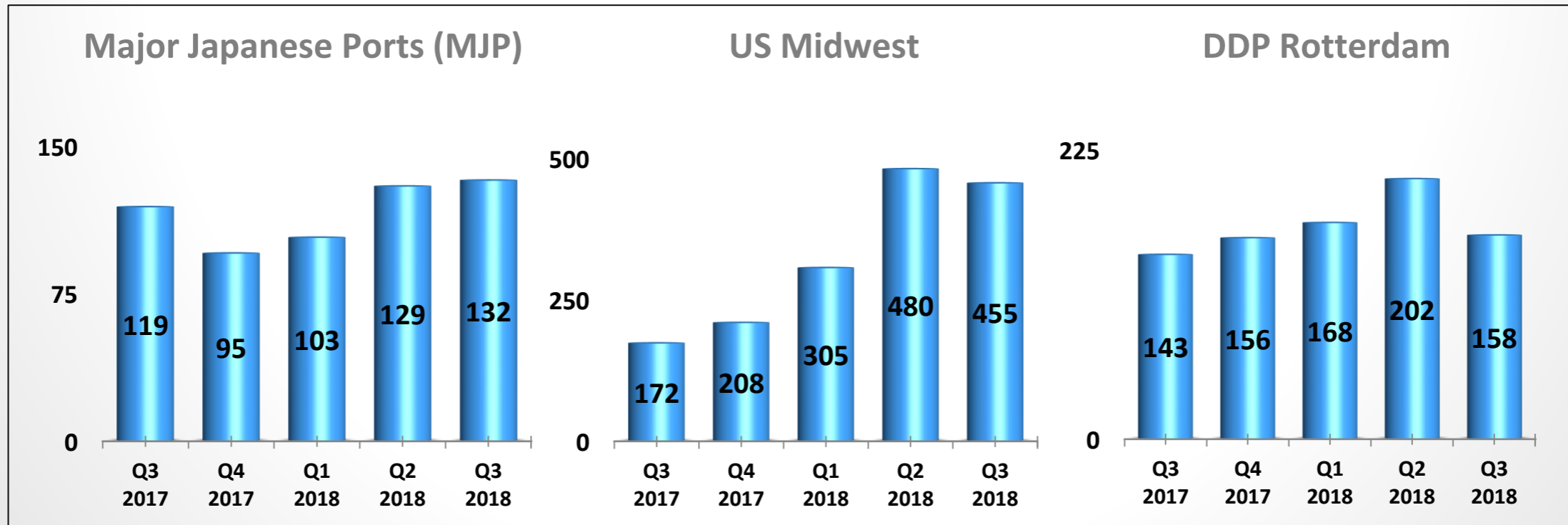
- 🪐 World production rose by 2% YoY
- 🪐 Asian supply up by 3% YoY [Chinese supply rose by 2% YoY]
- 🪐 Production in North America fell by 4% YoY due to the late ramp-up of New Madrid smelter
- 🪐 World market in deficit with China (-333 Kt) & (-445 Kt) without China



Industry Highlights – Q3 2018

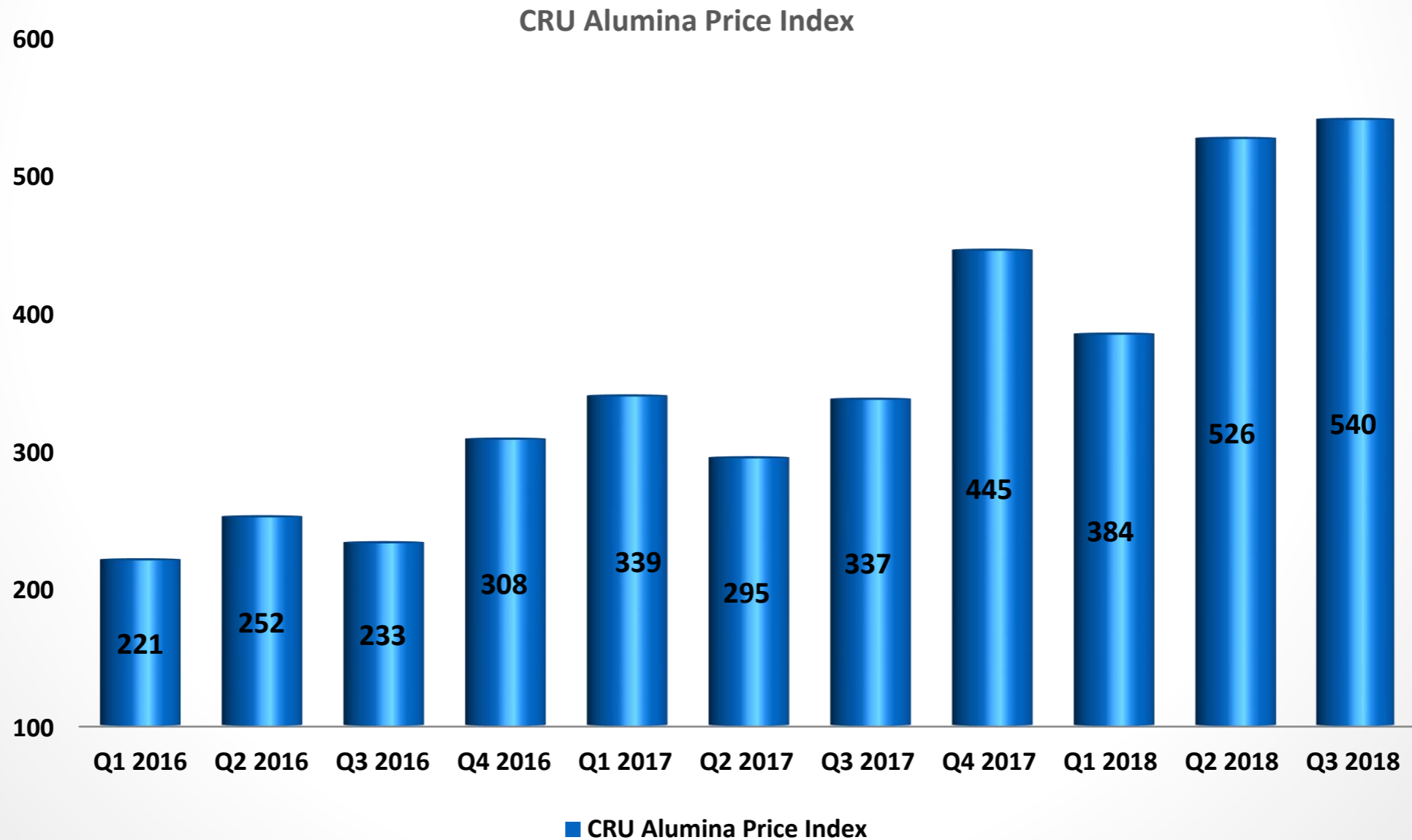
LME & Premiums

- Q3 2018 cash-average was US\$ 2,056/t with LME ranging between US\$ 1,981/t on September 19 and US\$ 2,165/t on July 3
- LME inventories at 1.1 million metric tonnes in September
- Physical premium prices (\$/t) soften



Industry Highlights – Q3 2018

Alumina Prices Head Skyward Thanks to Supply Shortage



02

ALBA HIGHLIGHTS



Alba Highlights – Q3 2018

Operational Highlights & Milestones

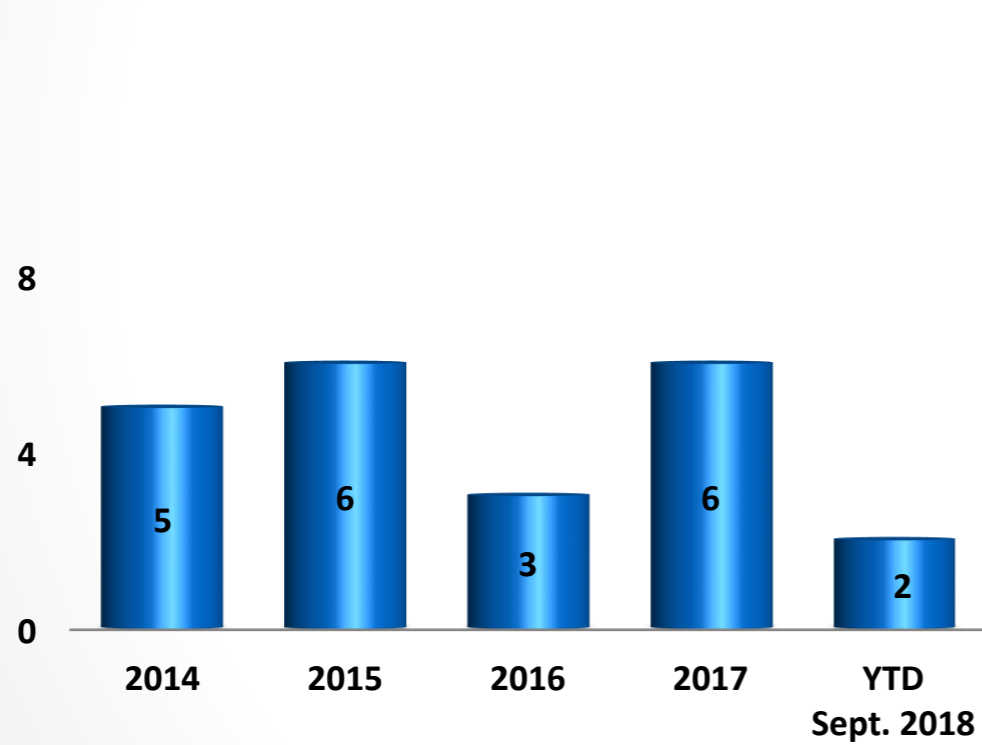
- 🪐 Launch of Summer Safety Campaign ‘Safety Selfie’
- 🪐 Total Sales and Production volume touched 248,970 metric tonnes (MT) and 251,472 MT respectively
- 🪐 Alba Value-Added Sales averaged 60% of total shipments in Q3 2018
- 🪐 Line 6 Expansion Project in progress:
 - Line 6 Smelter [overall progress > 70%]
 - Power Expansion Project [PS 5 & PDS overall progress: 72% & 92%]



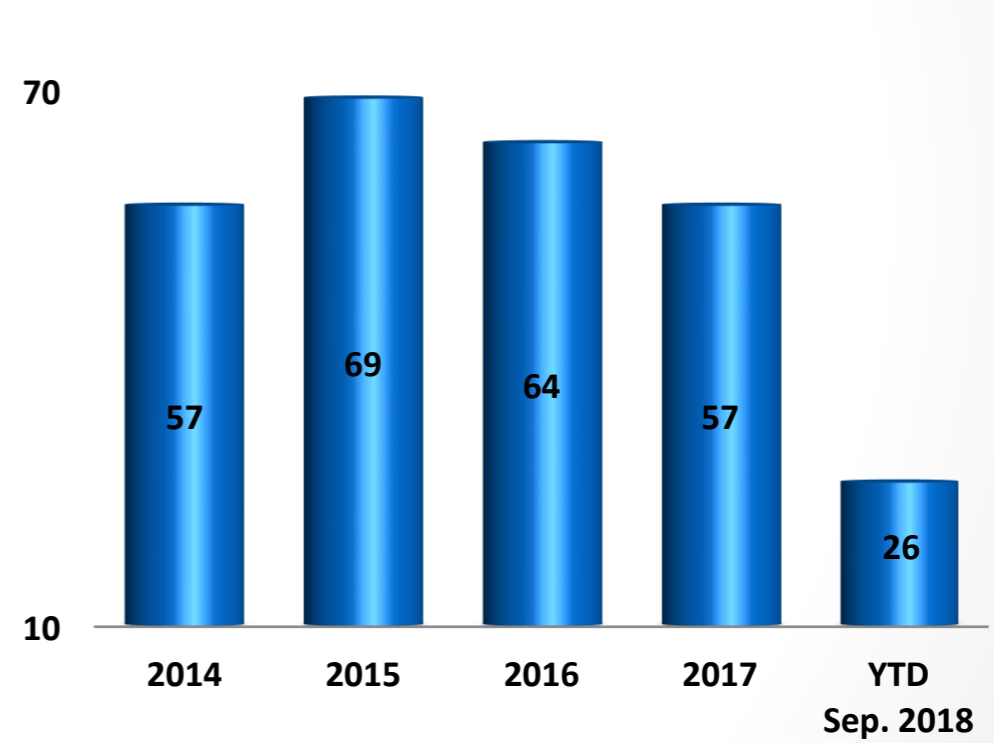
Alba Highlights – Q3 2018

Continued Focus on Safety

Lost Time Injury (LTI) Trend



Total Injuries Trend



Alba Highlights – Q3 & YTD 2018

Financial Key Performance Indicators

- 🪐 **EBITDA hit by higher Alumina cost**
- 🪐 Q3: US\$ 80 million down by 32% YoY
- 🪐 YTD: US\$ 323 million down by 1% YoY
- 🪐 **Net Income driven by Q3 & YTD EBITDA levels**
- 🪐 Q3: US\$ 38 million down by 45% YoY
- 🪐 YTD: US\$ 206 million up by 12% YoY
- 🪐 **Free-Cash Flow¹ up thanks to sound working capital management**
- 🪐 Q3: US\$ 103 million up by 11% YoY
- 🪐 YTD: US\$ 486 million up by 459% YoY

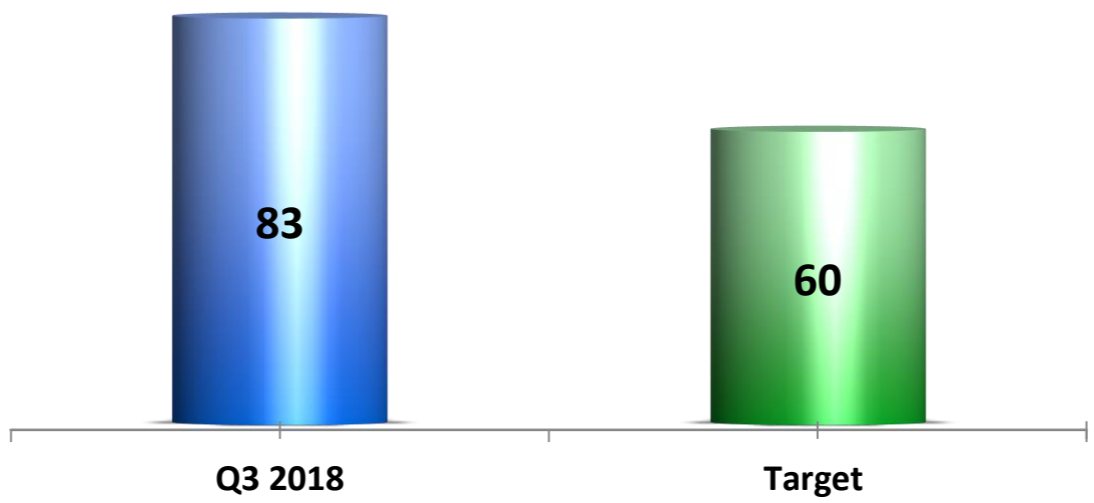




Alba Highlights – Q3 2018

Project Titan - Phase III: Improve Cash Cost Structure by US\$ 60/MT
Q3 2018: Achieved Savings of US\$ 83/MT

Project Titan - US\$ per MT



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



03

Q3 2018 RESULTS

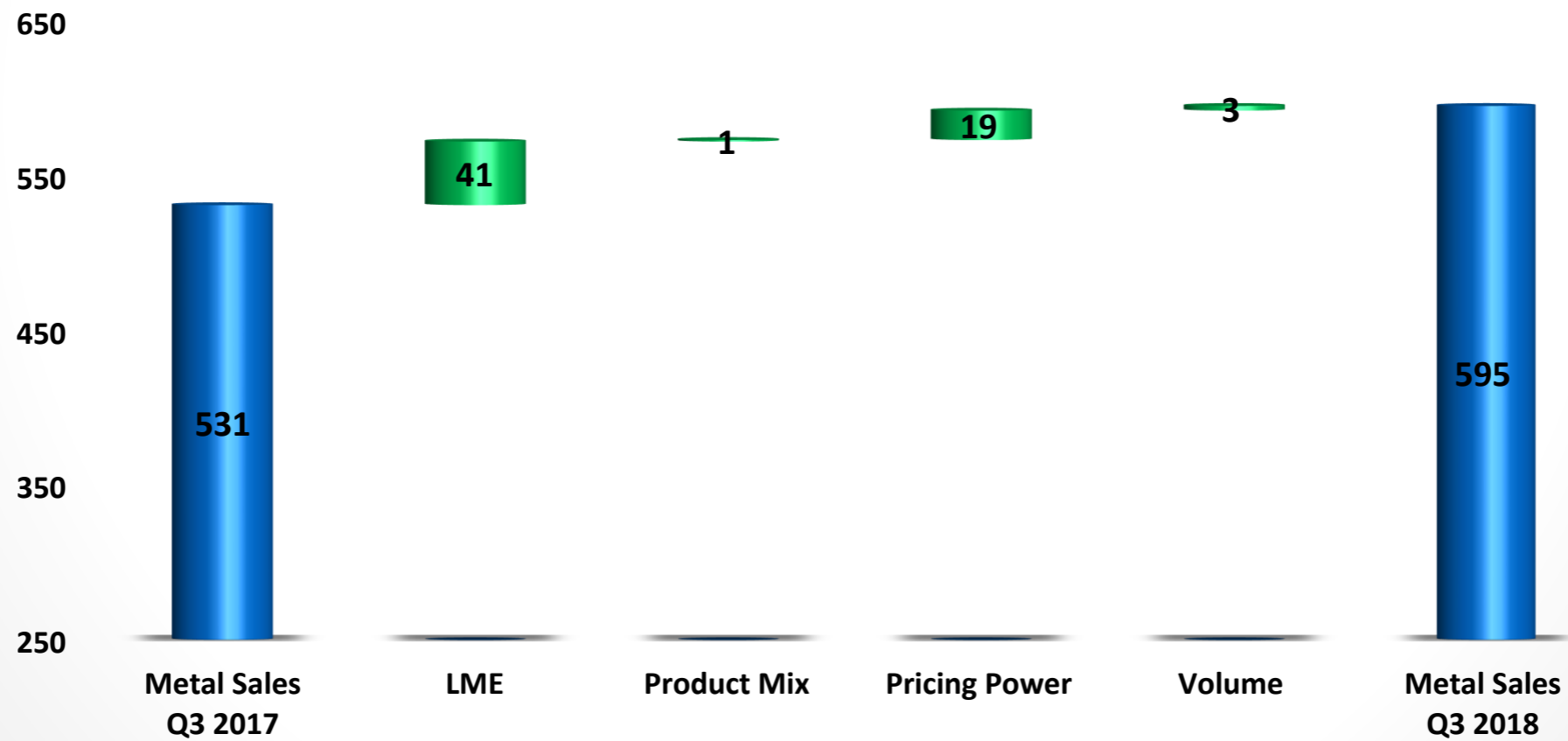


Q3 2018 Results

Aluminium Industry: Rising Alumina Prices Squeeze Industry Profitability

Sales Bridge Analysis Q3 2018 vs. Q3 2017
Higher Metal Sales Thanks to Higher LME Prices and Premiums

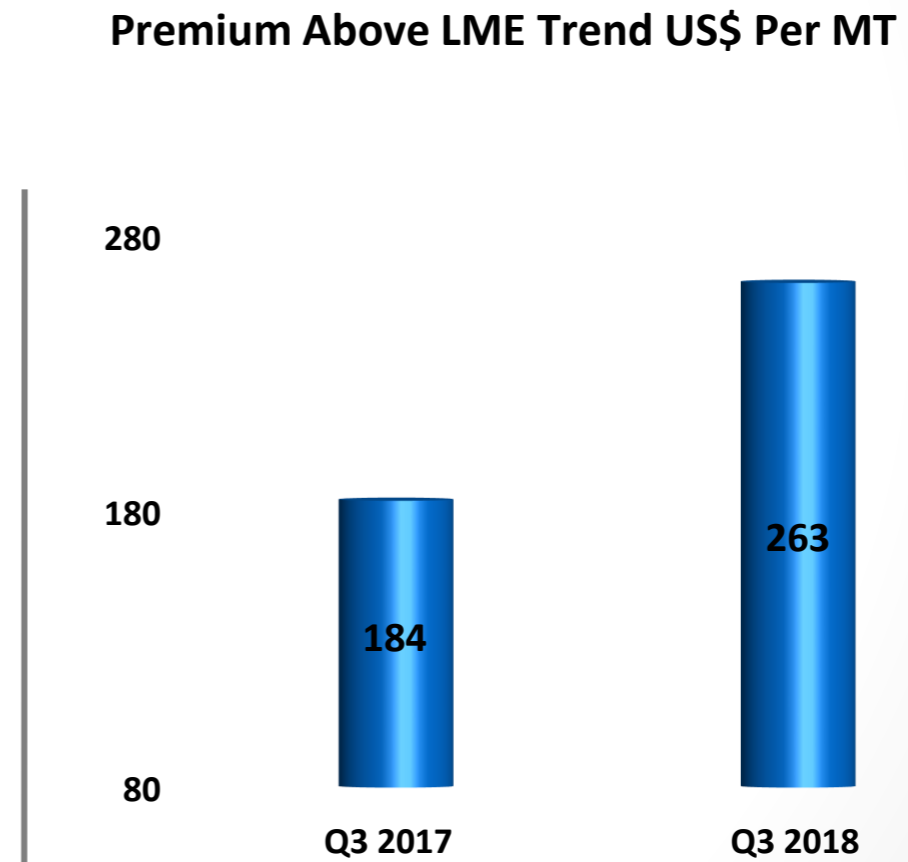
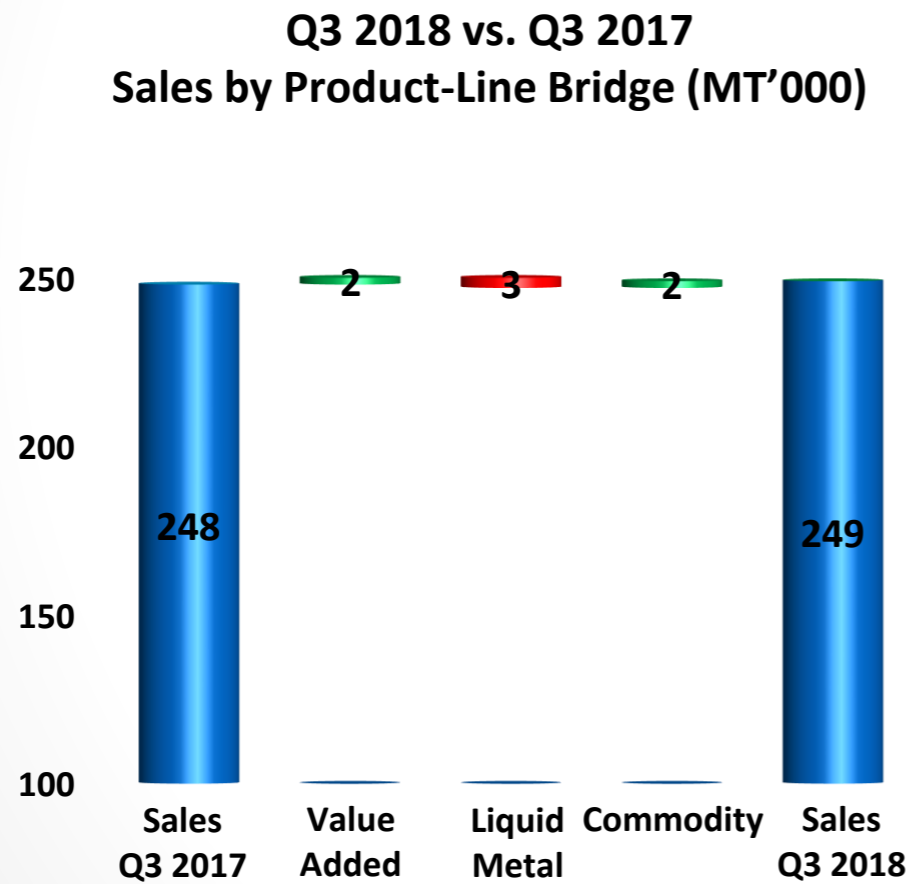
Q3 2018 vs. Q3 2017 - Metal Sales Bridge (US\$M)



Q3 2018 Results

Aluminium Industry: Rising Alumina Prices Squeeze Industry Profitability

Higher Sales Volume Denominated by Favourable Shift in Product Mix

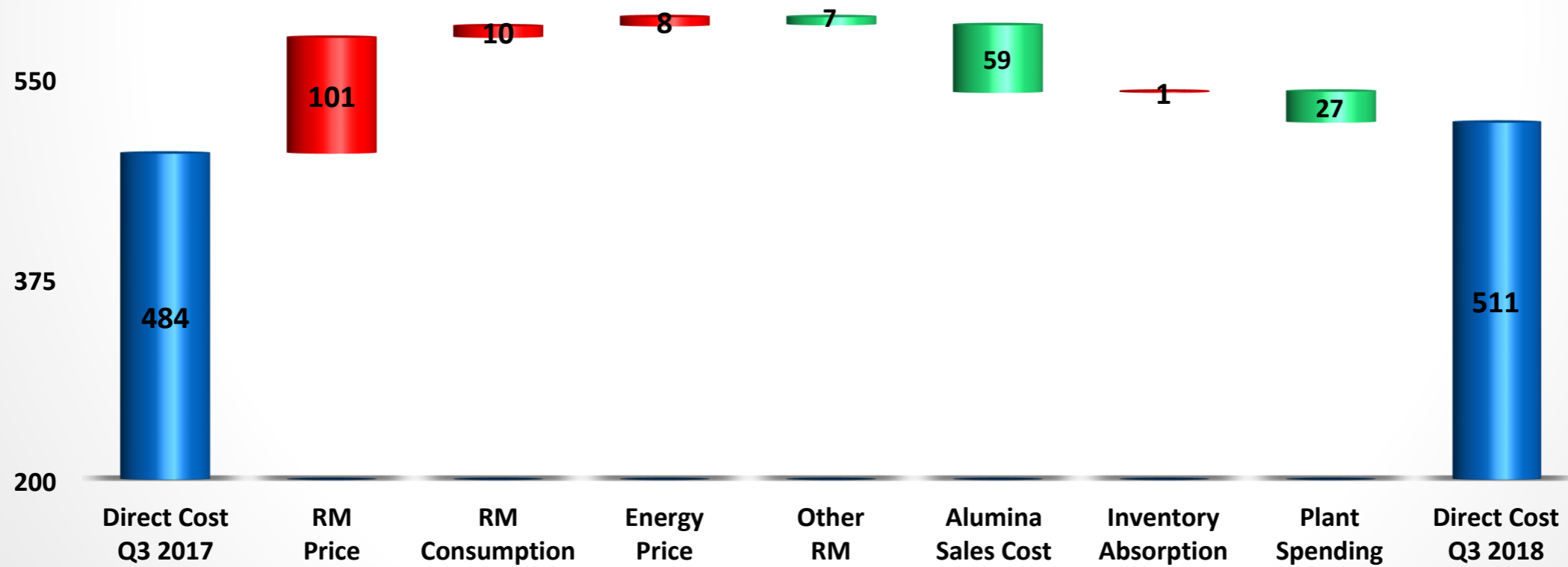


Q3 2018 Results

Aluminium Industry: Rising Alumina Prices Squeeze Industry Profitability

Cost Analysis Q3 2018 vs. Q3 2017: Higher Alumina Prices

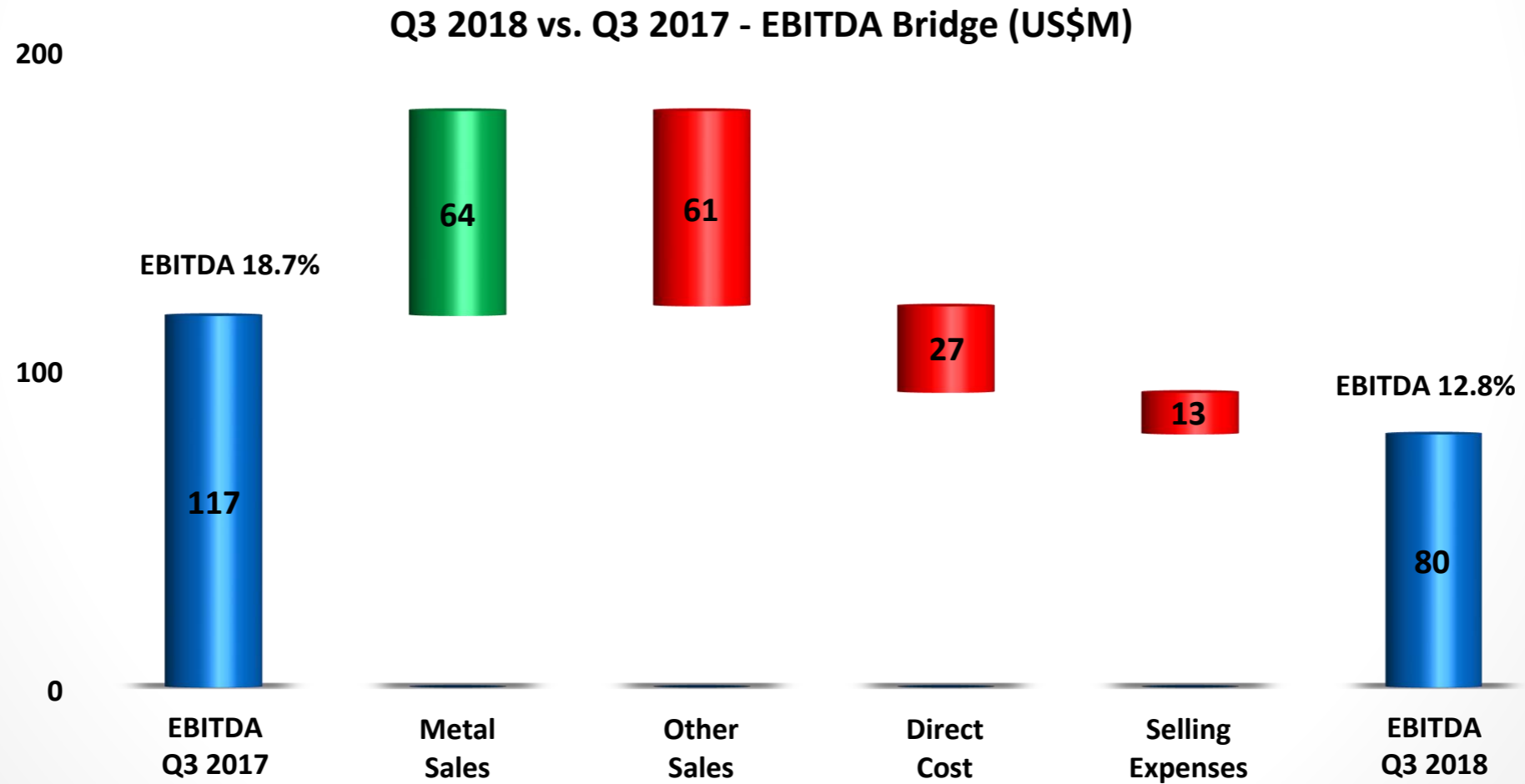
Q3 2018 vs. Q3 2017 - Direct Cost Bridge (US\$M)



Q3 2018 Results

Aluminium Industry: Rising Alumina Prices Squeeze Industry Profitability

Favourable Management Performance Partially Offset by Higher Alumina Prices - EBITDA% 12.8%

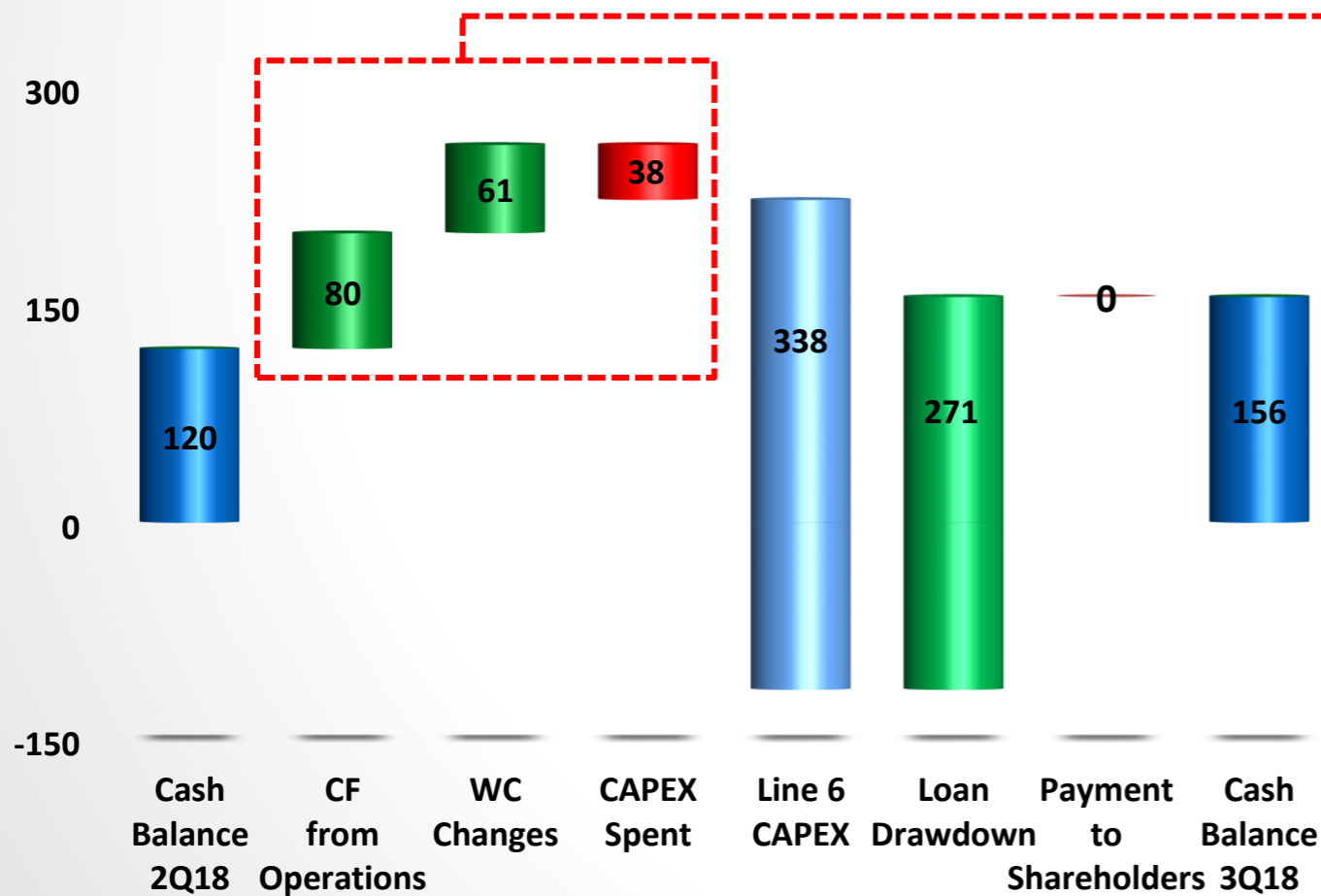


Q3 2018 Results

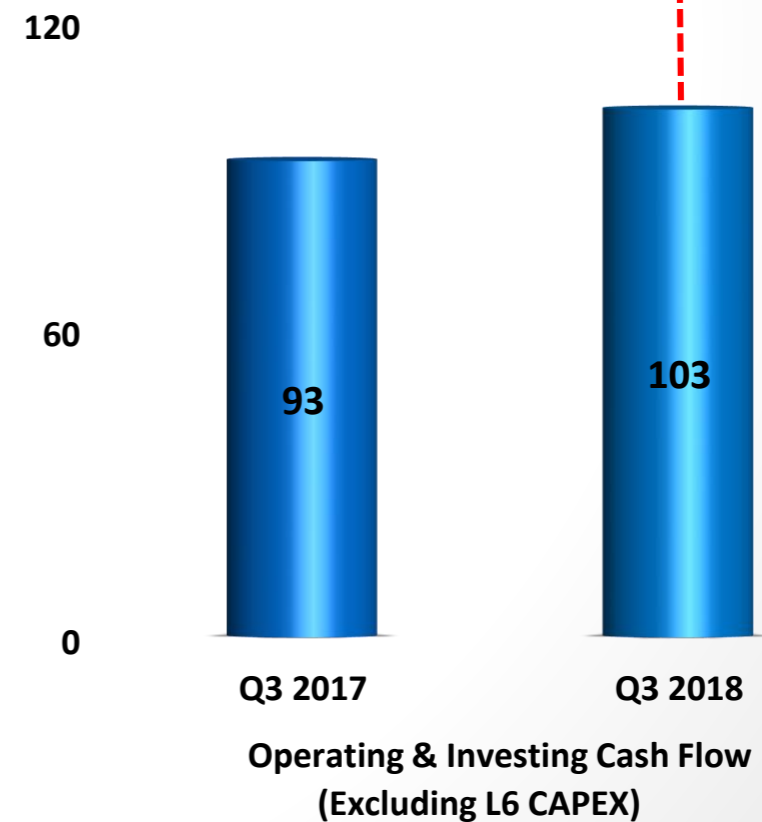
Aluminium Industry: Rising Alumina Prices Squeeze Industry Profitability

Cash Flow Bridge - Q2 2018 to Q3 2018: Maintain Good Cash Position

Q2 2018 to Q3 2018 Cash Flow Bridge (US\$M)



Free Cash Flow (US\$M)



Q3 2018 Results

Aluminium Industry: Rising Alumina Prices Squeeze Industry Profitability

Solid Management Performance Partially Offset With Higher Alumina Prices

Financial Summary	Q3 2018	Q3 2017	YTD 2018	YTD 2017
Average Cash LME (US\$/MT)	2,056	2,011	2,158	1,924
Average Alumina Price (US\$/MT)	540	337	483	324
Total Sales (US\$M)	624	626	1,861	1,609
EBITDA (US\$M)	80	117	323	327
EBITDA%	12.8%	18.7%	17.3%	20.3%
Net Income/ (Loss) (US\$M)	38	69	206	184
Net Income%	6.0%	11.0%	11.0%	11.4%



04

INDUSTRY PERSPECTIVES IN 2018



Industry Perspectives in 2018

Physical Demand to Remain Healthy

- 🪐 **Key factors to be observed:**
- 🪐 LME volatility to continue on the back of trade-war tension, stronger US\$ and softening on Rusal sanction
- 🪐 Metal consumption to slow-down in China while Europe and North America will have healthy growth
- 🪐 Global market to face supply shortages
- 🪐 Physical premiums are set to soften
- 🪐 Uncertainty over Alumina supply and prices to continue until Alunorte is back to full production
- 🪐 LME price expected to range between US\$1,950/t - US\$ 2,050/t



Industry Perspectives in 2018

Raw Materials Price Trends

- 🪐 Spot alumina prices to remain high
- 🪐 Green Petroleum Coke (GPC) price to inch upward led by the Chinese environmental regulations and supply constraints in the short-term
- 🪐 Liquid pitch & Aluminium Fluoride prices to remain at the higher range for the rest of 2018



05

2018 ALBA PRIORITIES



2018 Alba Priorities

Sustainable Improvement & Preparation for Future growth

- 🪐 Continued Focus on Safety initiatives 'Think ORANGE, Think Line 6 SAFE Start-up'
- 🪐 Exceed Projected Target Savings of Titan - Phase III [2018: 1 Million MT & US\$ 60/t]
- 🪐 Leverage Strong Demand on Value-Added Sales
- 🪐 Focus on Future Upstream Opportunities
- 🪐 Prepare for the Safe Start-up of Line 6
 - Close Final Part of 2nd ECA-Covered Facility Tranche
 - Start Commissioning PS 5 for the Start-up of Line 6



06

APPENDIX

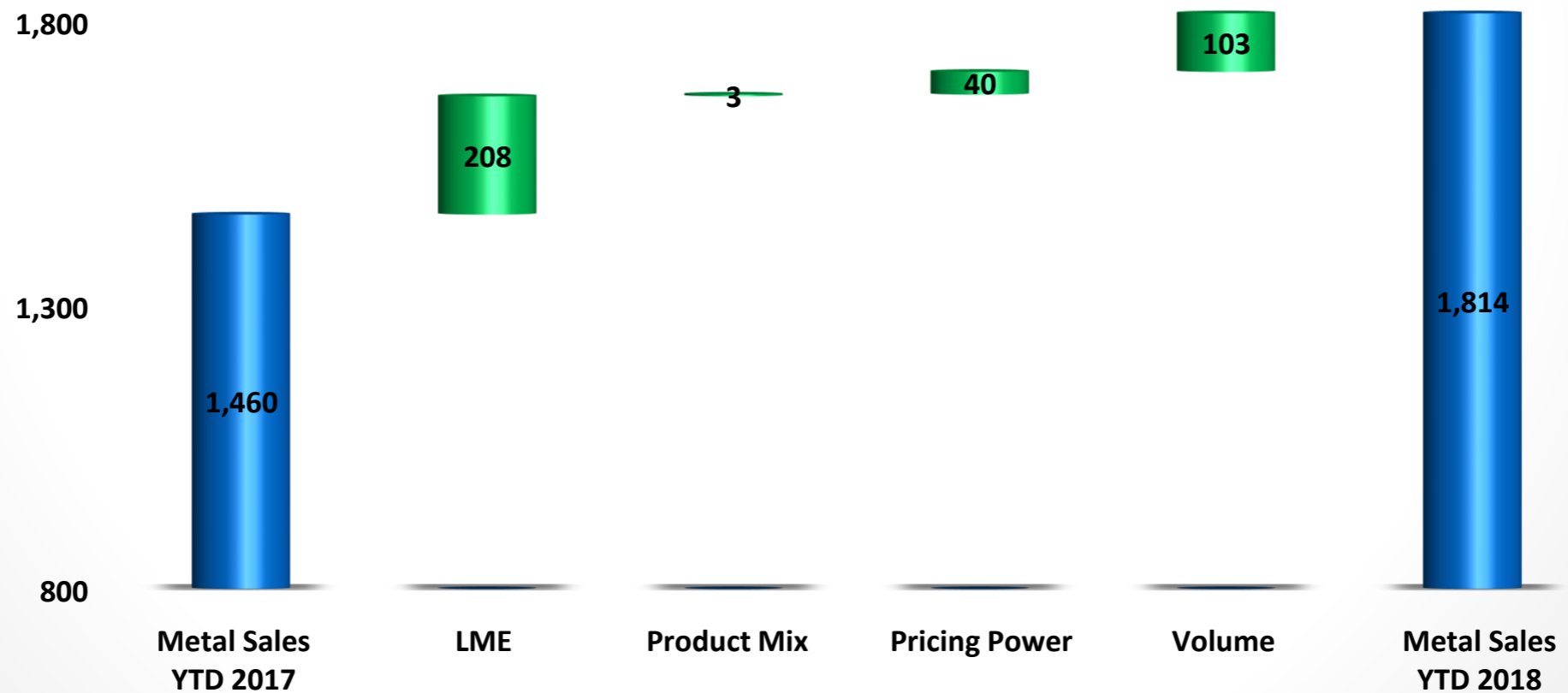


YTD 2018 Results

Aluminium Industry: Rising Alumina Prices Squeeze Industry Profitability

Sales Bridge Analysis YTD 2018 vs. YTD 2017
Higher Metal Sales Thanks to Higher LME Prices and Premiums

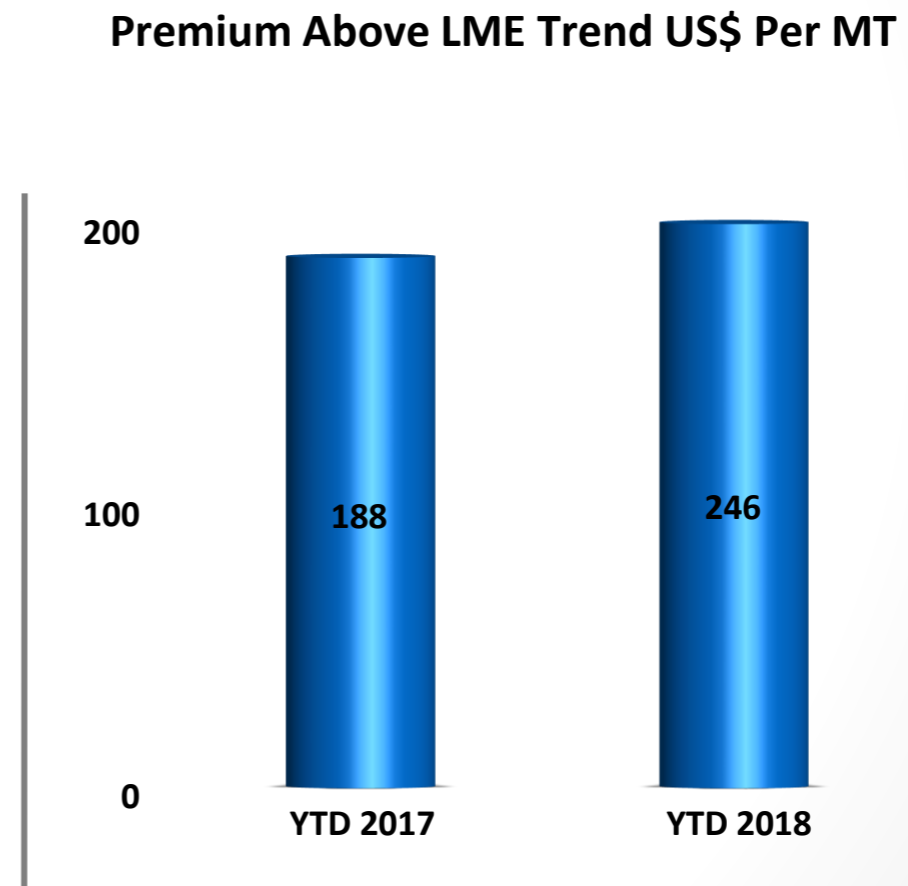
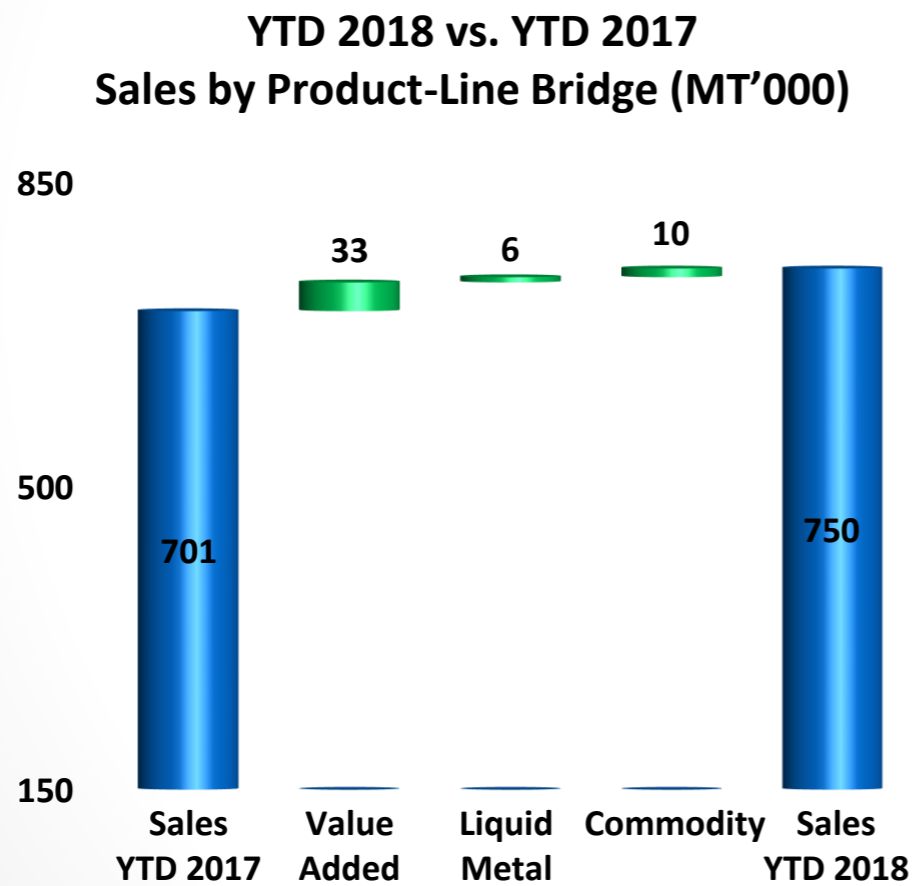
YTD 2018 vs. YTD 2017 - Metal Sales Bridge (US\$M)



YTD 2018 Results

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Higher Sales Volume Denominated by Favourable Shift in Product Mix

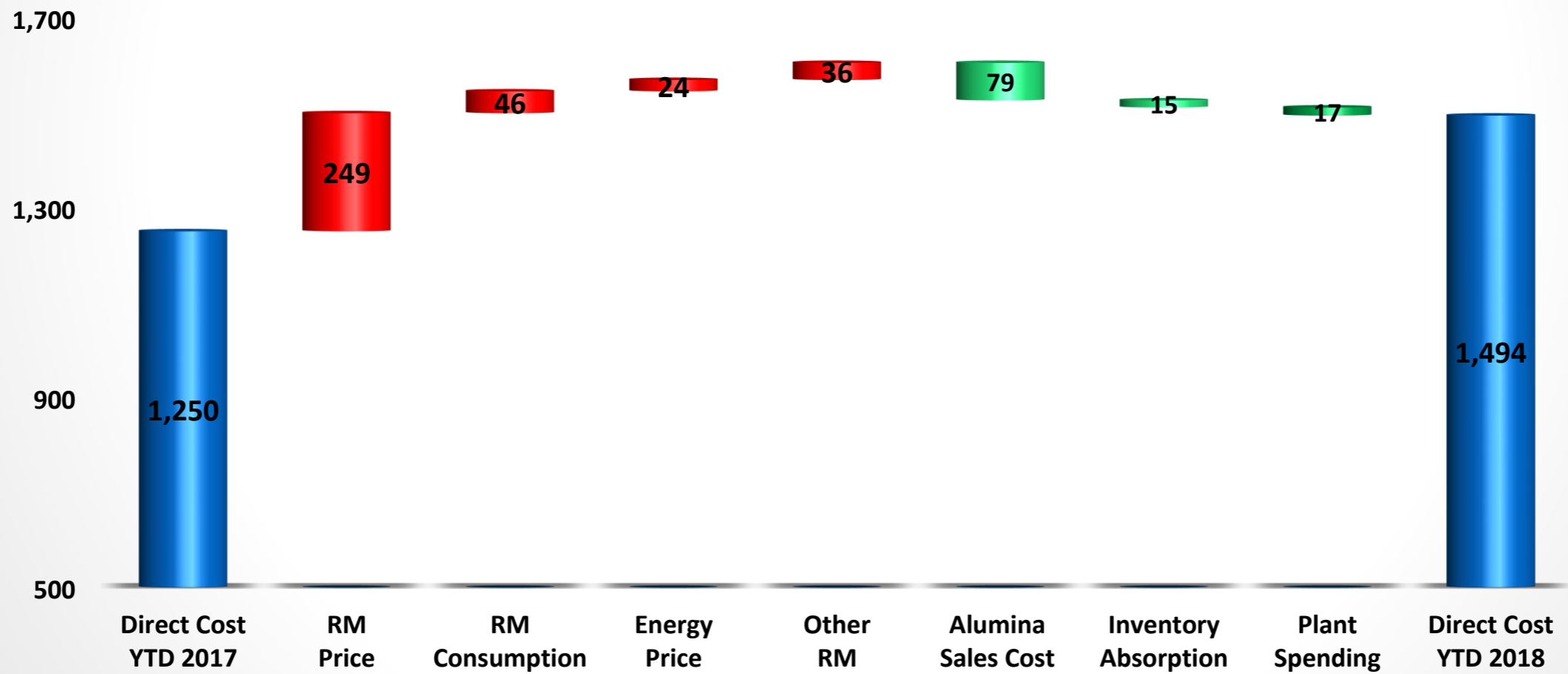


YTD 2018 Results

Aluminium Industry: Rising Alumina Prices Squeeze Industry Profitability

Cost Analysis YTD 2018 vs. YTD 2017: Higher Alumina Prices

YTD 2018 vs. YTD 2017 - Direct Cost Bridge (US\$M)

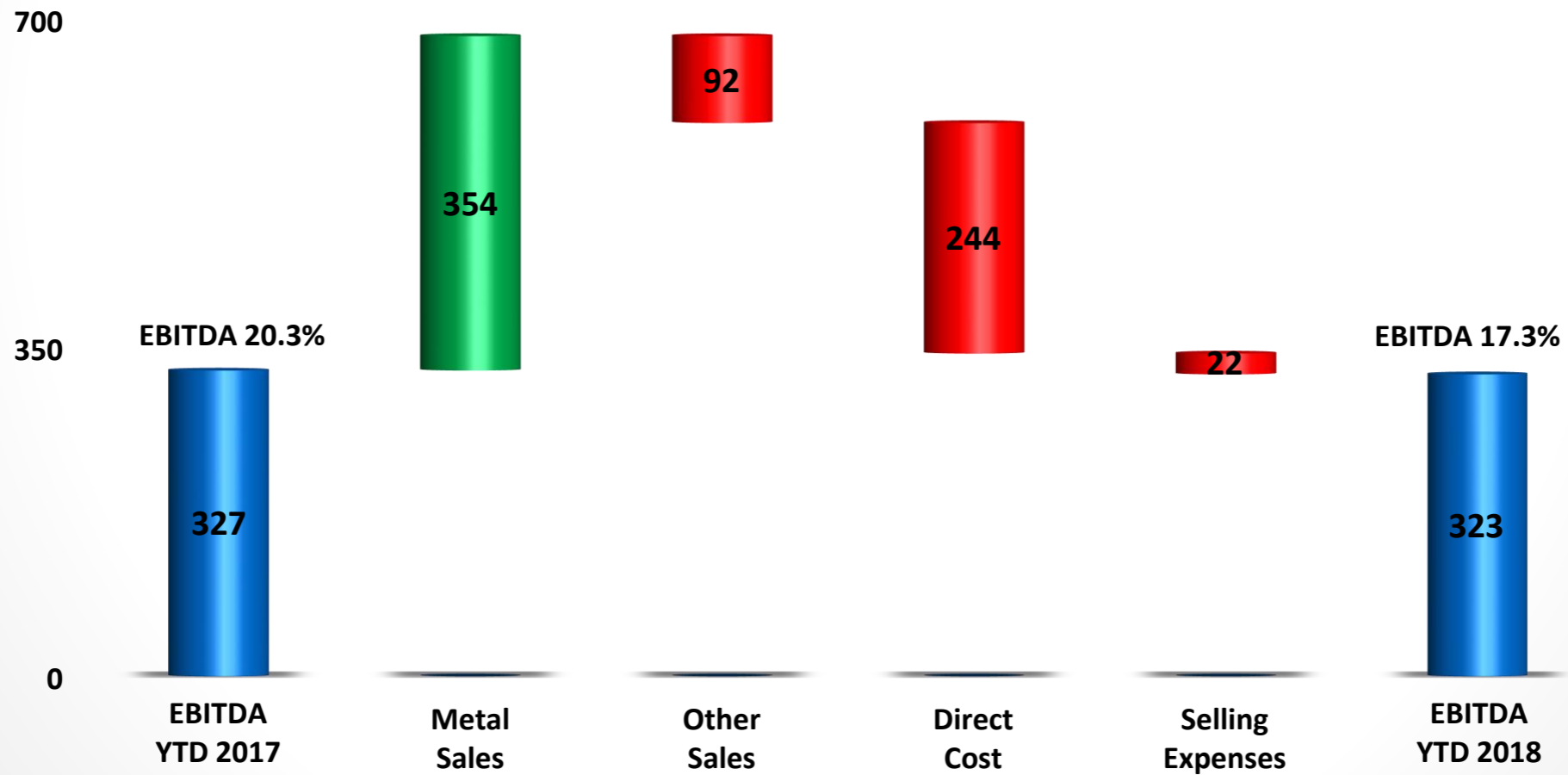


YTD 2018 Results

Aluminium Industry: Rising Alumina Prices Squeeze Industry Profitability

Favourable Management Performance Partially Offset by Higher Alumina Prices - EBITDA% 17.3%

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

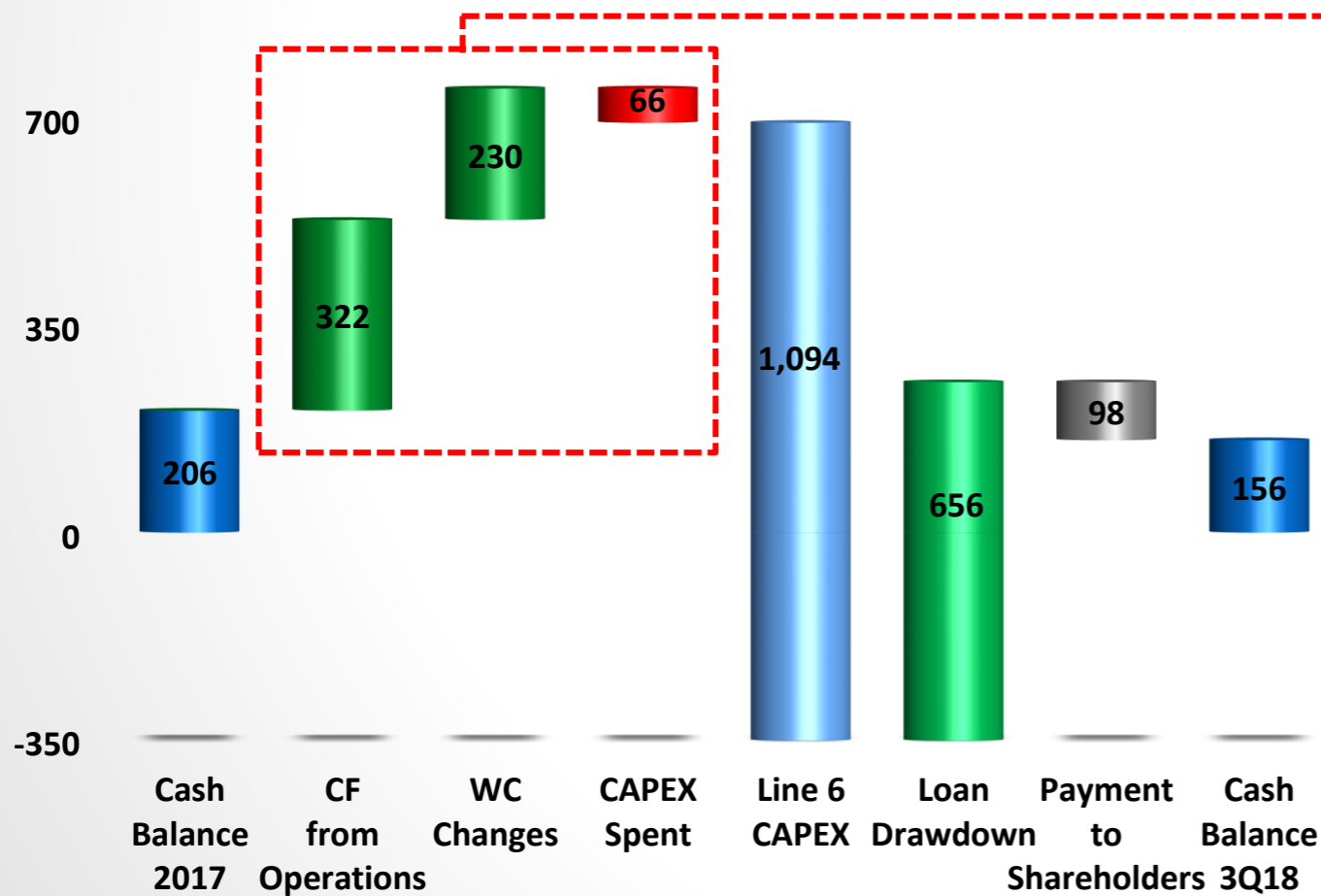


YTD 2018 Results

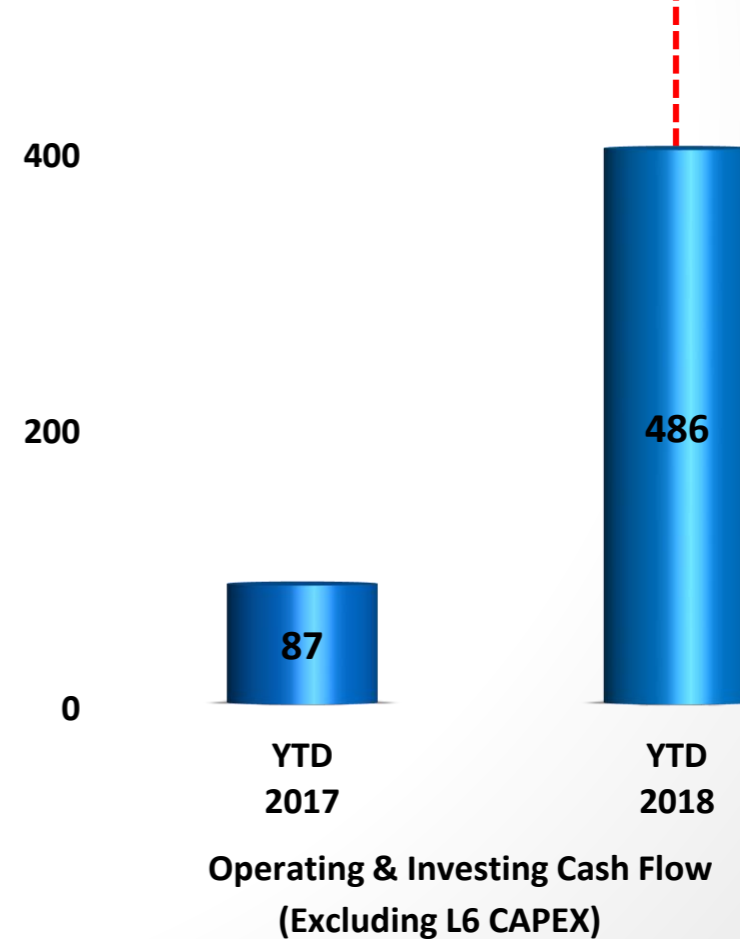
Aluminium Industry: Rising Alumina Prices Squeeze Industry Profitability

Cash Flow Bridge - FY 2017 to Q3 2018: Sound Free Cash-Flow

FY 2017 to YTD 2018 Cash Flow Bridge (US\$M)



Free Cash Flow (US\$M)





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