



Alba Reports Q3 2018 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 asked to read Alba's Interim Condensed Consolidated Financial Statements, as at 30 September 2018, 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 third Quarter & nine months of 2018 are summarised below:

Q3 2018 and Nine Months of 2018 Financial Performance

Alba's top-line and bottom-line for the third quarter and nine months of 2018 were primarily driven by higher metal sales' volume and partially offset by higher Alumina Prices.

The Company generated a Net Income of **BD 14.3 million (US\$ 38 million)** in the third quarter of 2018 versus BD 25.8 million (US\$ 68.5 million) for the same period in 2017 down by 44% YoY due higher Alumina prices (60% YoY increase). With regards to Total Sales/Revenues, Alba reported **BD 234.6 million (US\$ 623.8 million)** in Q3 2018, compared to BD 235.3 million (US\$ 625.8 million) in Q3 2017. Earnings per share (EPS) in this quarter were **fiils 10** versus fiils 18 in Q3 2017.

For the nine months of 2018, Alba's Net Income stood at **BD 77.3 million (US\$ 205.6 million)**, an increase of 12% YoY, compared to BD 69 million (US\$ 183.5 million) in nine months in 2017. Total Sales/Revenues reached **BD 699.8 million (US\$ 1,861.2 million)**, up by 16% YoY, compared to BD 605 million (US\$ 1,609.1 million). Earnings per share were **fiils 55** versus fiils 49 for the nine months of the year 2017.

Alba's Total Assets as at September 30, 2018 reached **BD 2,131.3 million (US\$ 5,668.4 million)**, versus BD 1,686.1 million (US\$ 4,484.5 million) for the same period of 2017, an increase of 26% YoY. Total Shareholders' Equity as at September 30, 2018 was **BD 1,091.6 million (US\$ 2,903.3 million)**, up by 4% YoY, when compared to BD 1,052.3 million (US\$ 2,798.9 million).



Q3 2018 Industry Highlights

- Despite the trade-tensions, the global physical demand remain healthy with world consumption up by **4% Year-over-Year (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 while the demand in North America rose by **2% YoY** driven by auto production (heavy-duty trucks) & construction sector.
- Global production grew at slow pace (**+2% YoY**); Asian supply was up by **3% YoY** [Chinese supply rose by 2% YoY] while production in North America fell by **4% YoY** due to the late ramp-up of New Madrid smelter. World market is in deficit with China (**-333 Kt**) & (**-445 Kt**) without China.
- Q3 2018 cash-average was **US\$ 2,056/t** & LME inventories were **1.1 million metric tonnes** as of September-end 2018.
- Alumina prices spiked upwards thanks to supply shortage and averaged US\$ 540 per metric tonne.

Q3 2018 Alba Highlights

- Launch of the 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.
- The achieved benefits of Titan – Phase III are US\$ 83/MT
- Line 6 Expansion Project in progress:
 - Line 6 Smelter [overall progress > 70%]; and
 - Power Expansion Project [PS 5 & PDS overall progress: 72% & 92%]



2018 Alba Priorities

- 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; and
 - Start Commissioning PS 5 for the Start-up of Line 6

Commenting on Alba's financial performance for the 9 months of 2018, the Chairman of Alba's Board of Directors, Shaikh Daij Bin Salman Bin Daij Al Khalifa said:

"Despite higher Alumina prices, Alba managed to deliver sound financial performance. As we progress with Line 6 Expansion Project, we look forward for the First Hot Metal by January 01, 2019 and safe start-up of Line 6.

Alba's Chief Executive Officer, Tim Murray added:

"The unprecedented spike in Alumina prices has a significant impact on the Aluminium industry and Alba was no exception. Despite the negative impact of Alumina prices, Alba was able to deliver solid financial results through our Project Titan Cost Improvement Program.

I would also thank our employees and contractors for taking extreme ownership on Safety during the difficult summer months."

Alba's Management will be holding a conference call on Wednesday 31, 2018 to discuss Alba's financial performance for the Third Quarter & Nine Months of 2018 as well as outline the Company's priorities for the remainder of the year.