

ASX ANNOUNCEMENT

23 FEBRUARY 2021

2020 Full-Year Result

Attached is a presentation relating to Alumina Limited's Full Year results for the 12 months ended 31 December 2020.

This ASX announcement was approved and authorised for release by Mike Ferraro, Chief Executive Officer.

Forward-looking statements

Neither Alumina Limited nor any other person warrants or guarantees the future performance of Alumina Limited or any return on any investment made in Alumina Limited securities. This document may contain certain forward-looking statements, including forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995. The words "anticipate", "aim", "believe", "expect", "project", "estimate", "forecast", "intend", "likely", "should", "could", "will", "may", "target", "plan" and other similar expressions (including indications of "objectives") are intended to identify forward-looking statements. Indications of, and guidance on, future financial position and performance and distributions, and statements regarding Alumina Limited's future developments and the market outlook, are also forward-looking statements.

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Alumina Limited

2020 Full-Year Results



Mike Ferraro

Managing Director and Chief Executive Officer

Disclaimer



Summary Information

This Presentation contains summary information about the current activities of Alumina Limited (ACN 004 820 419) (**Alumina**) and its subsidiaries as at the date of this Presentation. The information in this Presentation should not be considered to be comprehensive nor to comprise all the information that a reader may require in order to make an investment decision regarding Alumina securities. This Presentation should be read in conjunction with Alumina's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au.

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Resilient Performance in a Volatile Year

Results

- Final dividend of 2.9 US cps
- NPAT: \$146.6M
- Annual alumina and bauxite production record
- Consistent dividends
- Withstood market shocks and maintaining positive margins

Market

- COVID impacted consumption of aluminium but now growing
- Aluminium/alumina price recovery in 2H 2020
- Improved outlook for alumina due to forecast increase in aluminium production
- Greater demand for lower carbon products

Sustainability

- ASI certification at most of facilities
- Sustainability Committee formed
- Refining portfolio low CO₂e emissions
- EcoSource product
- World class mining rehabilitation
- Proactive and progressive sustainability goals

COVID Response

- Robust performance through pandemic
- Emphasis on health & safety and protecting the workforce
- Supporting employees with COVID precautions and minimising risk of exposure for others

Current Sustainability Actions

Governance

- Alumina Limited – **Sustainability Committee** formed
- Improved reporting transparency, structure and disclosure, lead to improved **ESG** ratings
- Gap analysis compared to **TCFD** completed
- AWC supported AWAC in its implementation of industry best practice **dam management** procedures and standards

CO₂ Emission

- Low refinery **CO₂e emissions** intensity across the AWAC portfolio
- **GHG combined intensity** per tonne of production reduced by 17% since 2015
- **EcoSource** alumina launched – less than 0.6 t CO₂e/ t alumina

Strategy

- **ASI*** certification at:
 - All WA refineries and mines
 - Juruti bauxite mine
 - Alumar refinery
- Examining **decarbonisation** strategies

Rehabilitation

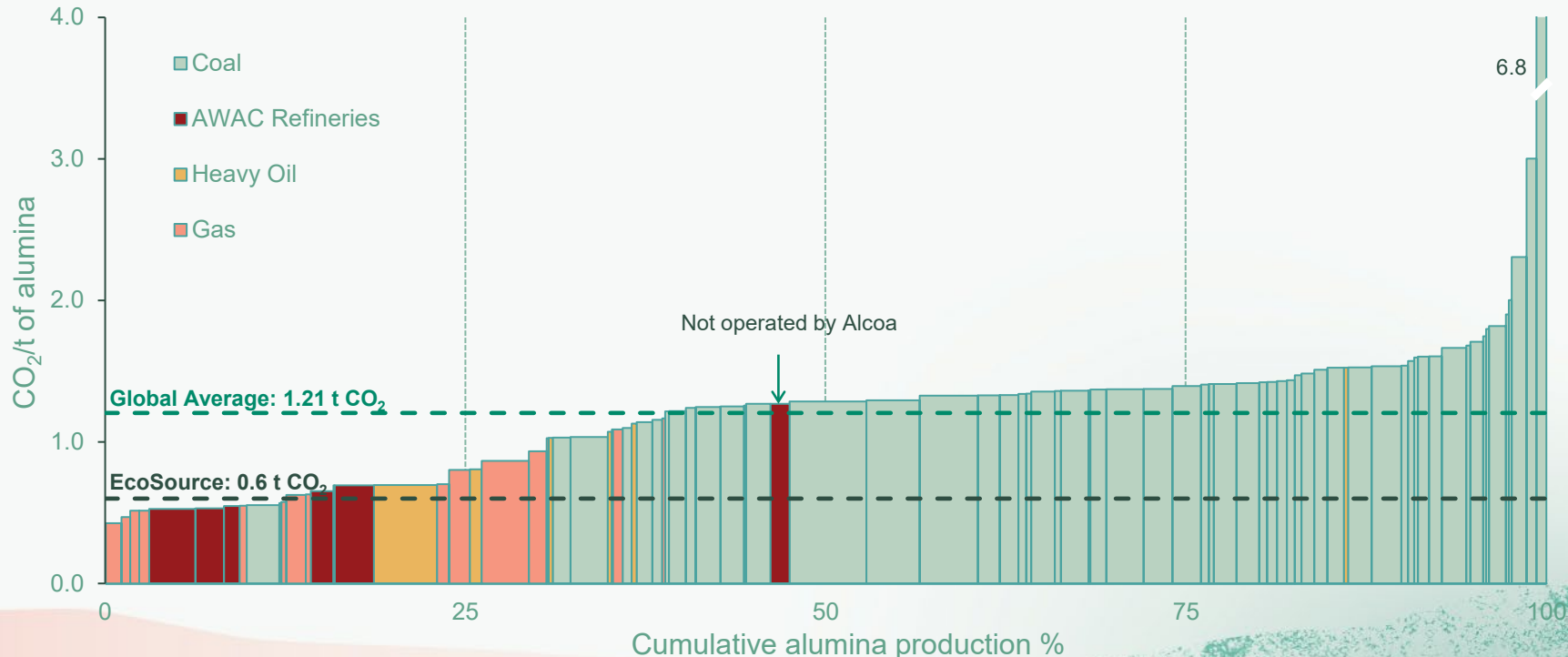
- World class mine **rehabilitation** in WA and Brazil
- New **biodiversity** standards - implemented new biodiversity plans
- 5 yr average ratio of 0.97:1 mine disturbance to mine rehabilitation

Social & Community

- **Modern Slavery Statement** to be issued by Alcoa of Australia 1H 2021
- **Human rights** due diligence on WA operations
- Australian **Indigenous Peoples Statement** and **Reconciliation Action Plan**

AWAC is the Lowest CO₂ Emitter amongst Major Alumina Producers

(Direct and indirect emissions by main fuel source, 2020 estimated)



*EcoSource: AWAC's low carbon smelter grade alumina (SGA) product that has no more than 0.6 metric tons of carbon dioxide equivalents per ton of alumina produced

Sustainability Goals



Safety	Zero fatalities and serious injuries (life threatening, life altering injury or illness)
Water	Reduce water intensity by 5% by 2025 and 10% by 2030 from a 2015 baseline
CO₂ Emissions	GHG emission reduction targets established for AWAC refineries – 4% by 2025 and 12% by 2030 from a 2015 base
Bauxite Residue	From a 2015 baseline, reduce bauxite residue land requirements per metric tonne of alumina produced by 15% by 2030
Mine Rehabilitation	Maintain a corporate-wide running 5 year average ratio of 1:1 or better for active mining disturbance (excluding long-term infrastructure) to mine rehabilitation
Sustainable Value Chain	By 2022, implement a social management system at all locations, including the definition of performance metrics and long-term goals to be accomplished by 2025 and 2030



Grant Dempsey
Chief Financial Officer

AWAC

2020 Full-Year Results



2020 AWAC Full-Year Results*

Financials

EBITDA

\$896M

(2019: \$1,261M)

NPAT

\$402M

(2019: \$565M)

CFO

\$672M

(2019: \$906M)

Alumina

Production

12.8M t

(2019: 12.6M t)

Cash Cost

\$199/t

(2019: \$210/t)

Realised Price

\$268/t

(2019: \$336/t)

Aluminium Production

160k t

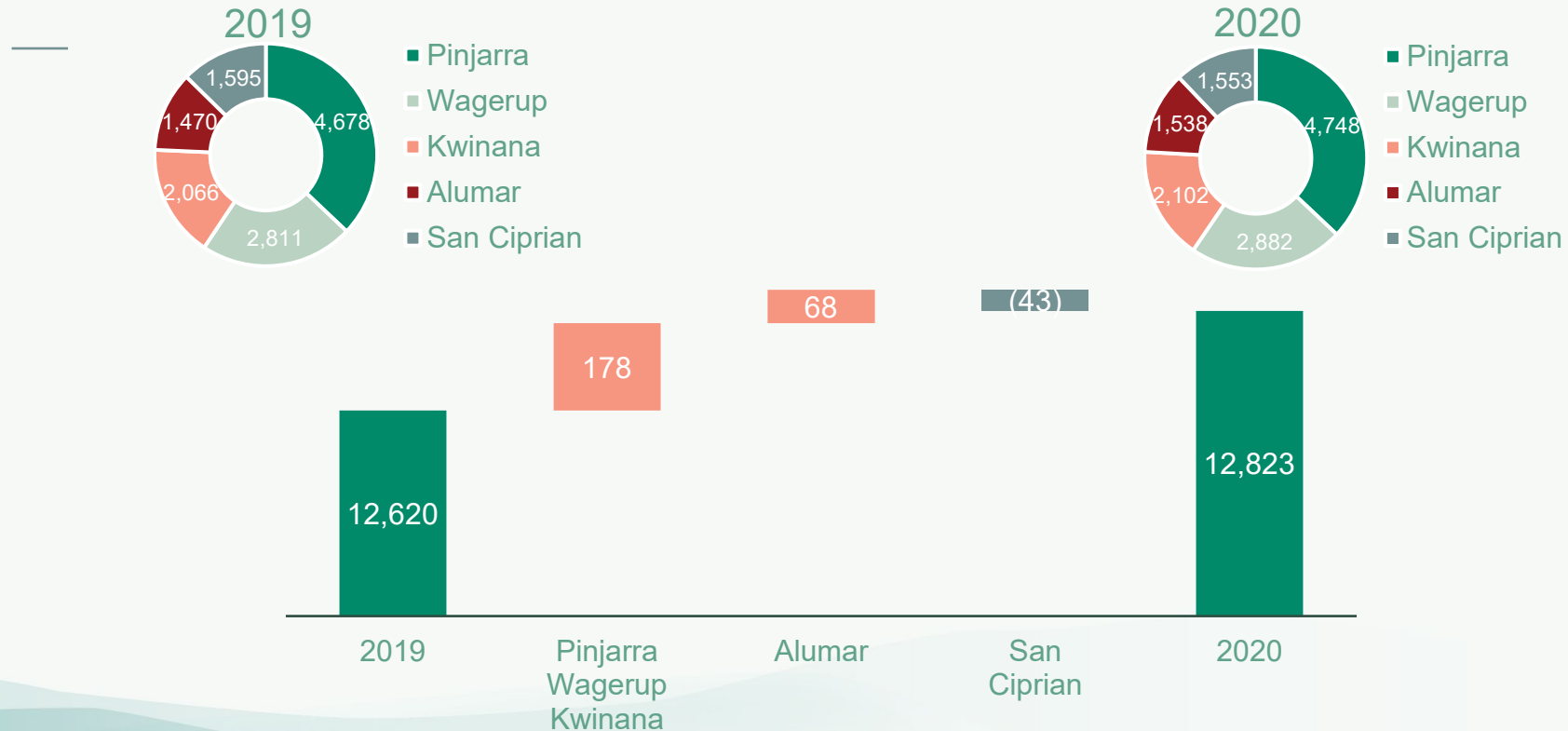
(2019: 161k t)

Bauxite 3rd Party Shipments

6.5M t

(2019: 6.2M t)

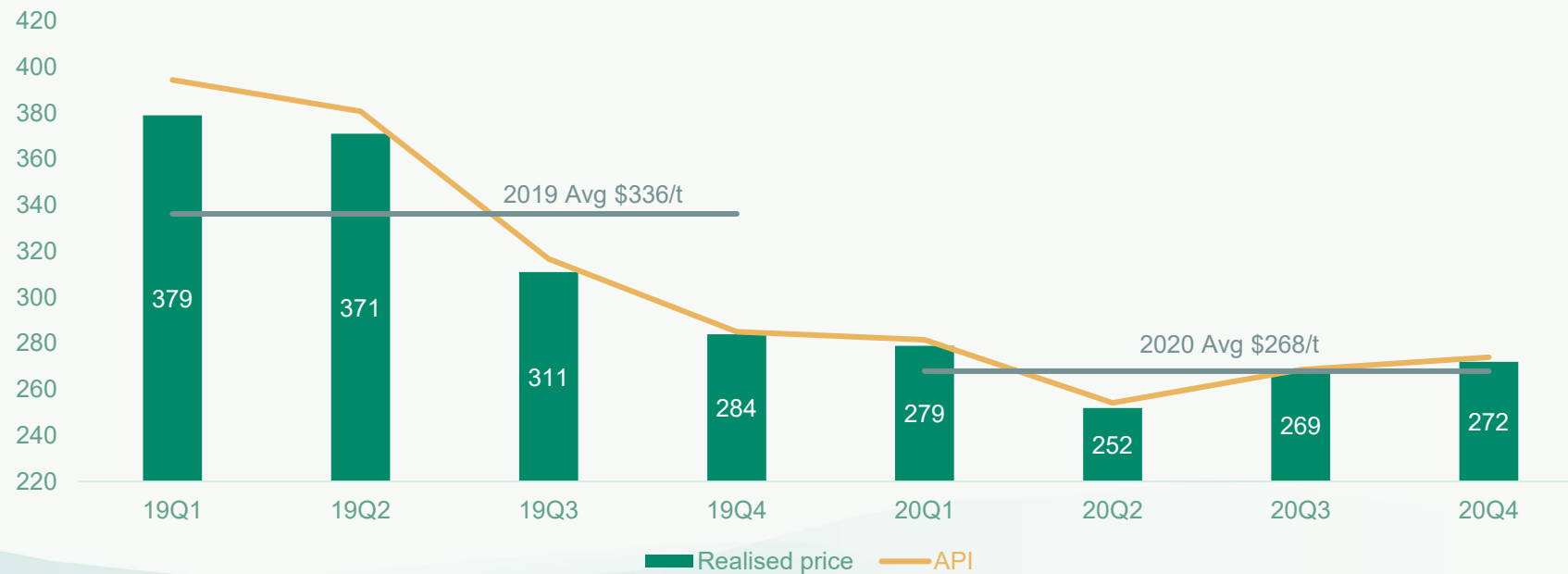
AWAC Record Annual Alumina Production*



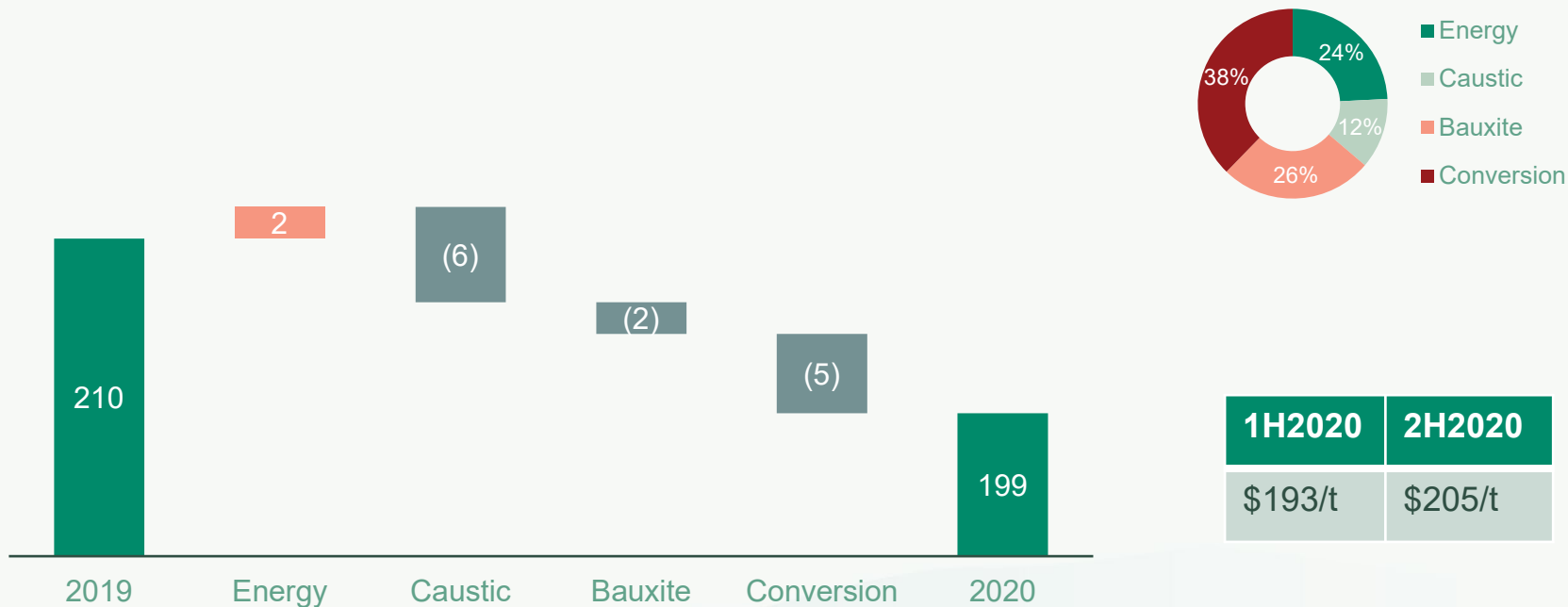
* Kt, for the current AWAC-operated portfolio of refineries

AWAC Realised Price

Realised price (\$/t) and API (1m lag) over last 2 years



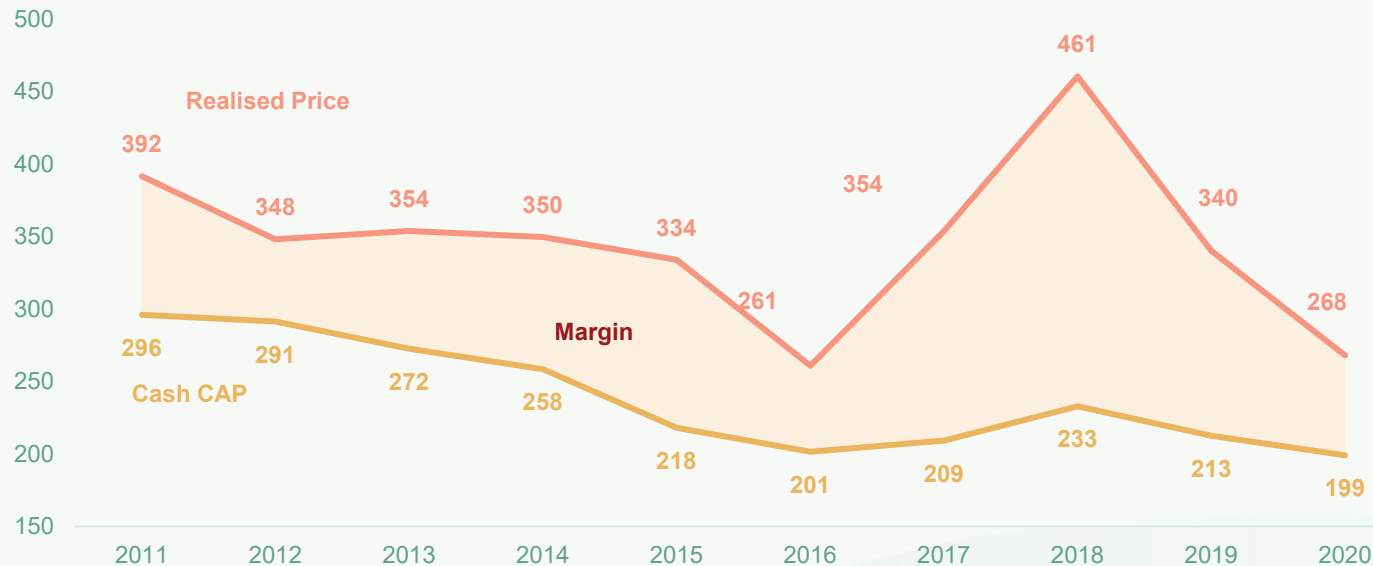
2020 AWAC Cash Cost of Alumina Production Decreased \$11/t from 2019



AWAC Adjusted Margin

Stable, consistent and reliable portfolio capturing an efficient Market

Adjusted¹ price, cash cost, and real prices in 2020 dollars



	2011-2020 ²
Realised Price	346
CAP	239
Margin ³	107
Platts (1m Lag)	351

¹Refer to Appendix slides for details on how adjustments have been made

²Averages as calculated for 2011-2020. Median Margin for same period was \$93/t and if highest and lowest margin were excluded average would be \$98/t

³Margin calculated as realised price minus cash cost of production

AWAC Outlook and Sensitivities

Item		2020 Actual	2021 Outlook	Change
Production	Alumina (Mt)	12.8	12.8	-
Bauxite (3 rd Party)	Sales – Bone Dry Tonnes (M bdt)	6.5	8.0	↑ 1.5
Cash Items	Sustaining Capex	\$202m	~\$225m	↑ \$23m
	Growth Capex	\$10m	~\$25m	↑ \$15M
	Restructuring Related Items	\$55m	~\$75m	↑ \$20M

Item		2021 Sensitivities	
EBITDA Sensitivities	API +/- \$10/t	Approx. +/- \$115m	
	Caustic +/- \$10/dmt	Approx. +/- \$9m	
	AUDUSD +/- 1c	Approx. +/- \$21m	

Alumina Limited 2020 Full-Year Results



2020 Alumina Full-Year Results*

Resilient Performance

NPAT:

\$146.6M
(2019: \$214M)

Dividend:

Final Dividend 2.9 US CPS

Dividend Yield[^]:

5 year avg 7.5%

Financial Strength

Gearing and Liquidity:

- Low gearing of 2.8%
- Decreased funds drawn
- \$290m undrawn facilities

Dividend:

- Available dividend calculation reflects Alumina cash flow for the year
- DRP Scheme suspended

Reliability Despite Volatility

- Alumina Ltd has the largest net economic exposure to 3rd party alumina pricing outside China
- Consistent 100% cash flow payout of distributions from AWAC
- World class, low cost refineries and bauxite mines

* IFRS

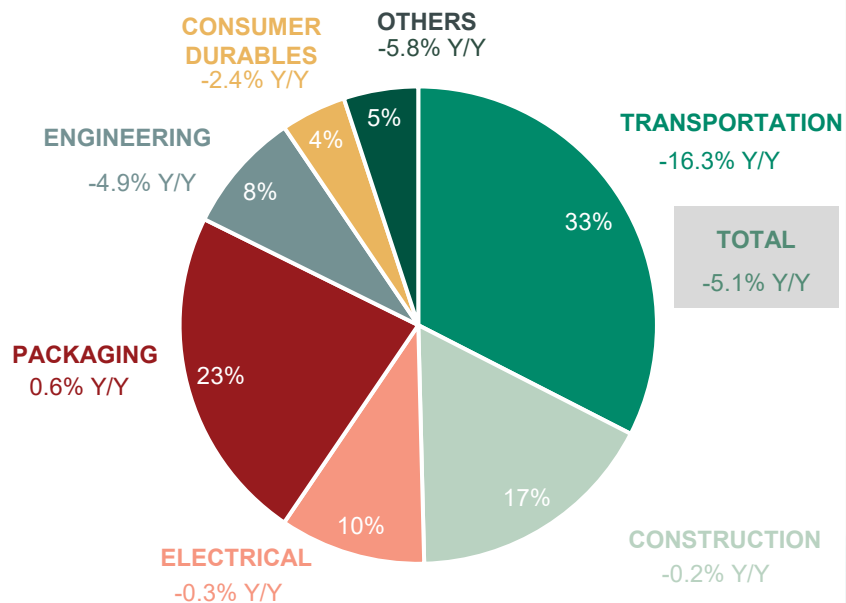
[^] Before franking

Market Review and Outlook

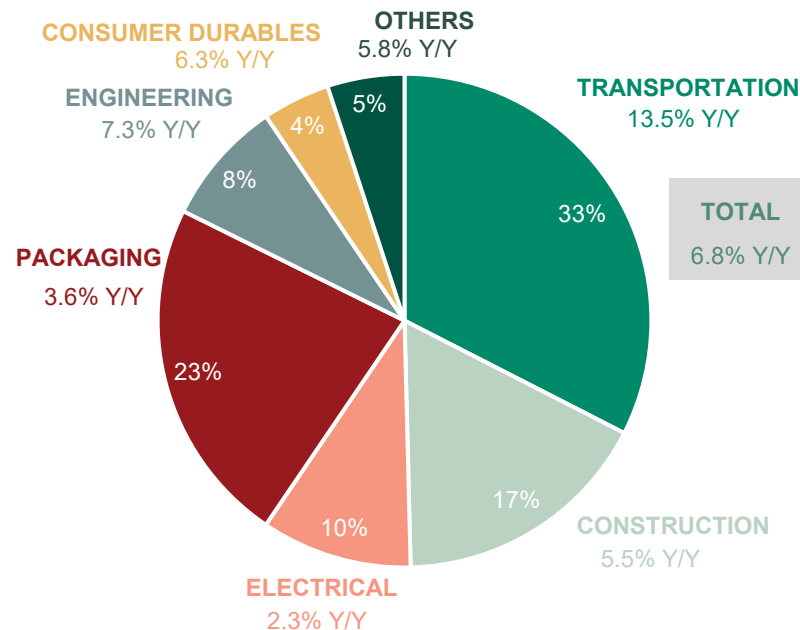


Global Aluminium Demand to Bounce Back in 2021 from Covid-triggered 2020 Losses

Actual 2020 Global Aluminium Consumption Growth by End-Use Sector



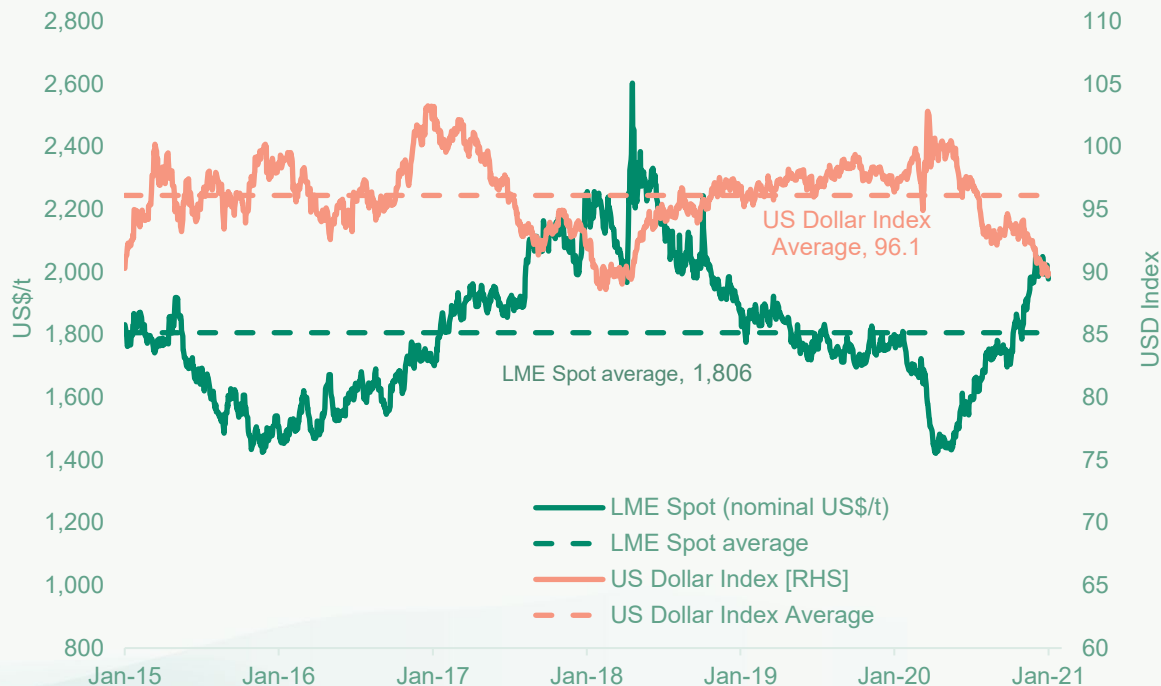
Forecast 2021 Global Aluminium Consumption Growth by End-Use Sector



Numerous Factors Contributed to Higher Aluminium Prices

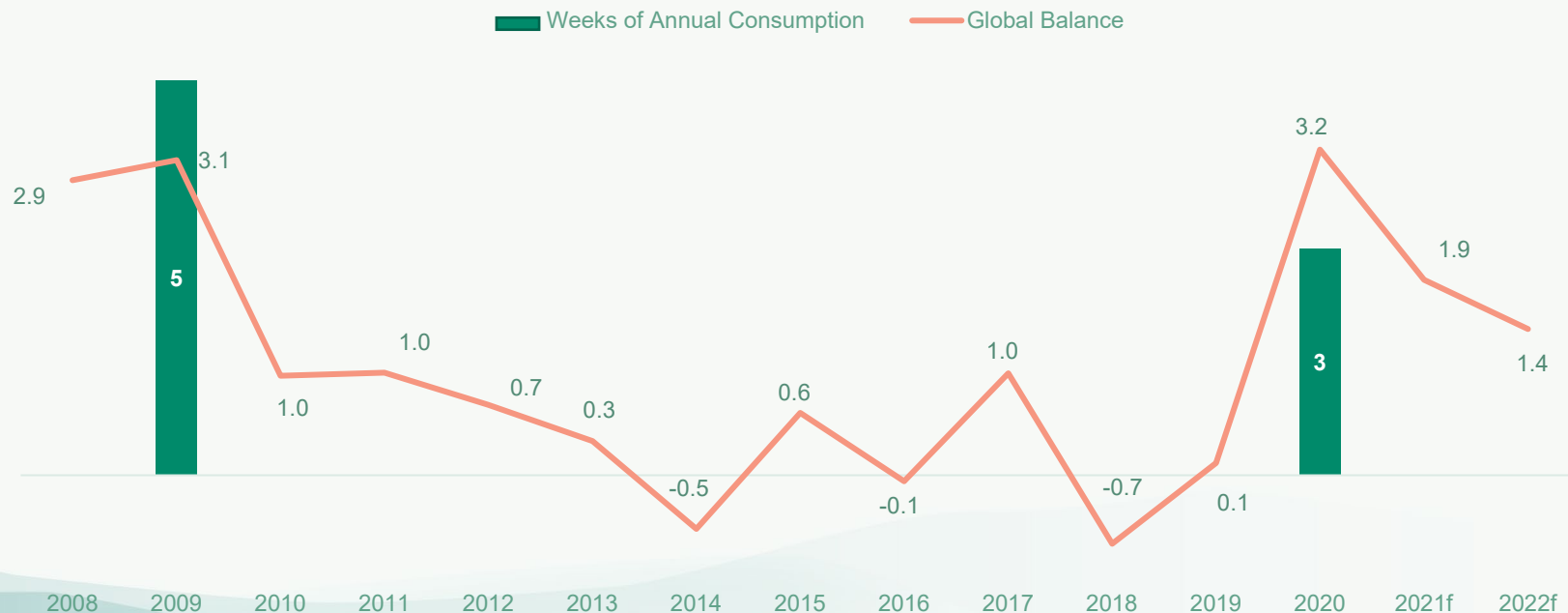
LME price recovered in the second half of 2020 due to:

1. Increasing demand with recovering world economic activity and government stimulus
2. Scrap tightness
3. Rising smelting costs
4. Weak dollar
5. China importing around 1 million tonnes of primary aluminium
6. Surplus stock was largely locked in financial deals



RoW Primary Aluminium Surplus Expected to Narrow in 2021 **ALUMINA** LIMITED

Global Primary Aluminum Market Balances and Forecasts (Million t)



RoW Primary Aluminium Supply Unaffected by COVID in 2020, Forecast to Grow by 4% in 2021

RoW Primary Aluminium Production (Million t)



RoW Primary Aluminium Production Growth

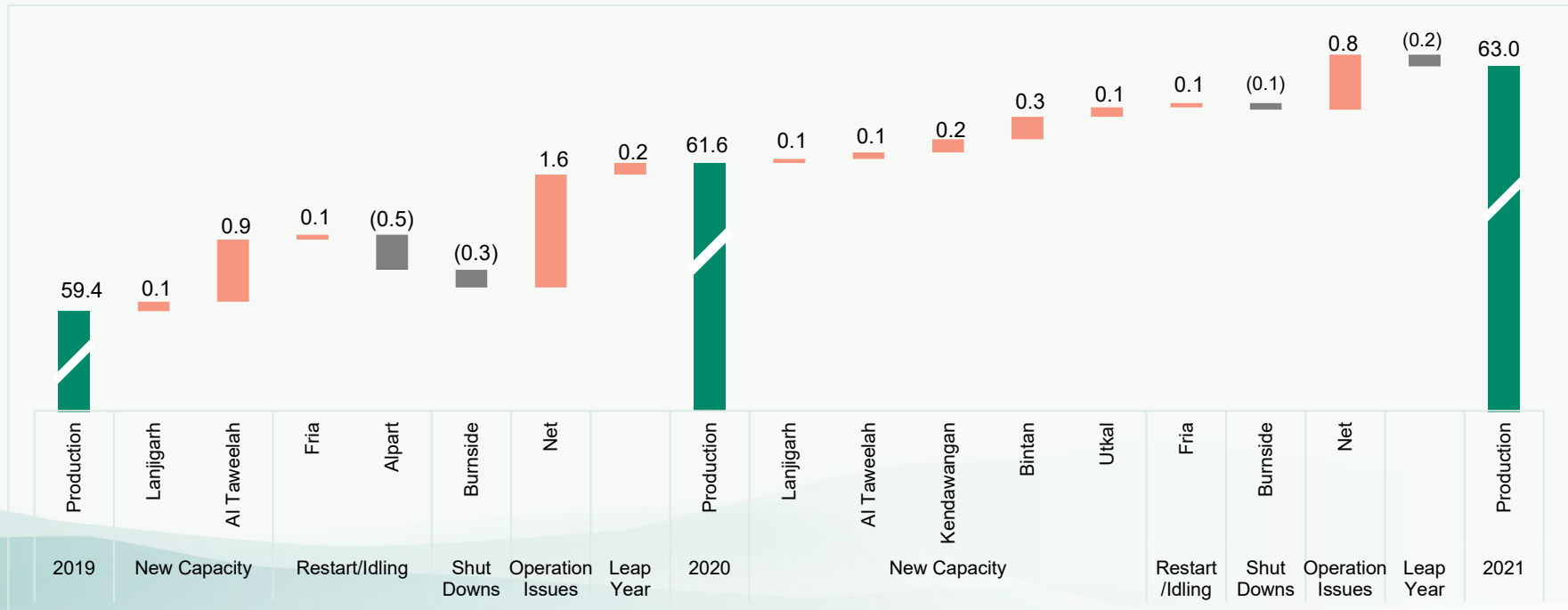
Close to 8 million tonnes of additional SGA required in the next 5 years

Regions	2021	2022	2023	2024	2025	Subtotal*
Asia Excl. China (Mainly India, Malaysia, Vietnam, Kazakhstan, Tajikistan)	343	582	472	349	288	2,034
Europe (Mainly Russia)	190	309	212	43	38	792
MENA (Mainly Iran And Egypt)	182	163	165	63	54	627
Latin America (Mainly Argentina)	135	46	31	6	136	354
North America (Mainly Canada)	9	57	45	24	24	159
Other Regions Incl. Oceania And Africa (Ex. Egypt)	22	20	16	16	16	90
RoW Net Primary Aluminium Total	881	1,177	941	501	556	4,056
RoW Net SGA Demand Increase	1,696	2,266	1,811	964	1,070	7,807

* Forecast additional volumes include restarts, million t

RoW Total Alumina* Production Grew by 3.7% in 2020, Limited Growth Forecast in 2021

RoW Alumina Production (Million t)

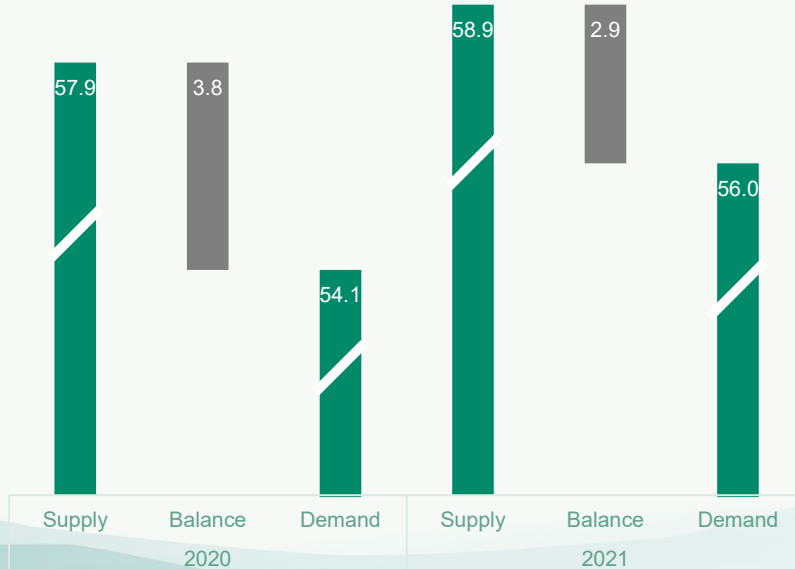


* Total alumina is equivalent to smelter grade plus chemical grade alumina

RoW SGA Surplus is Forecast to Decline in 2021

China will continue to import the alumina surplus from RoW

RoW SGA Balance (Million t)

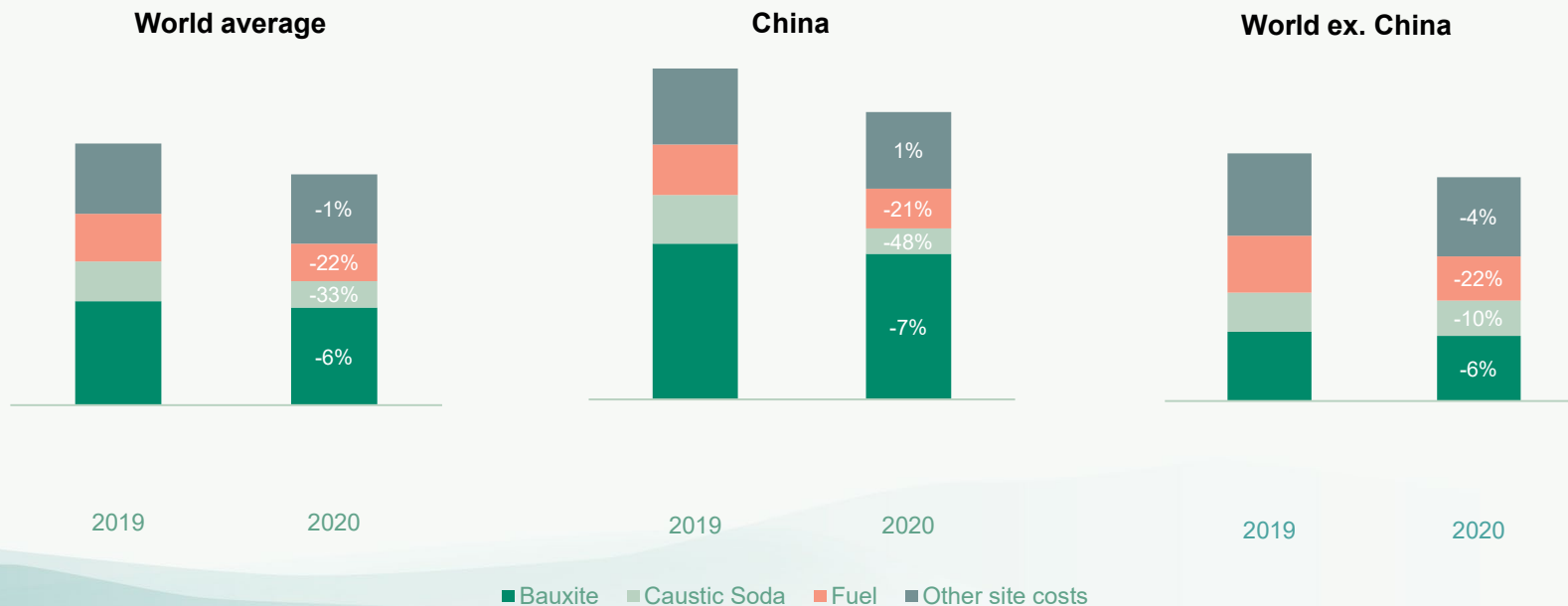


China SGA Balance (Million t)



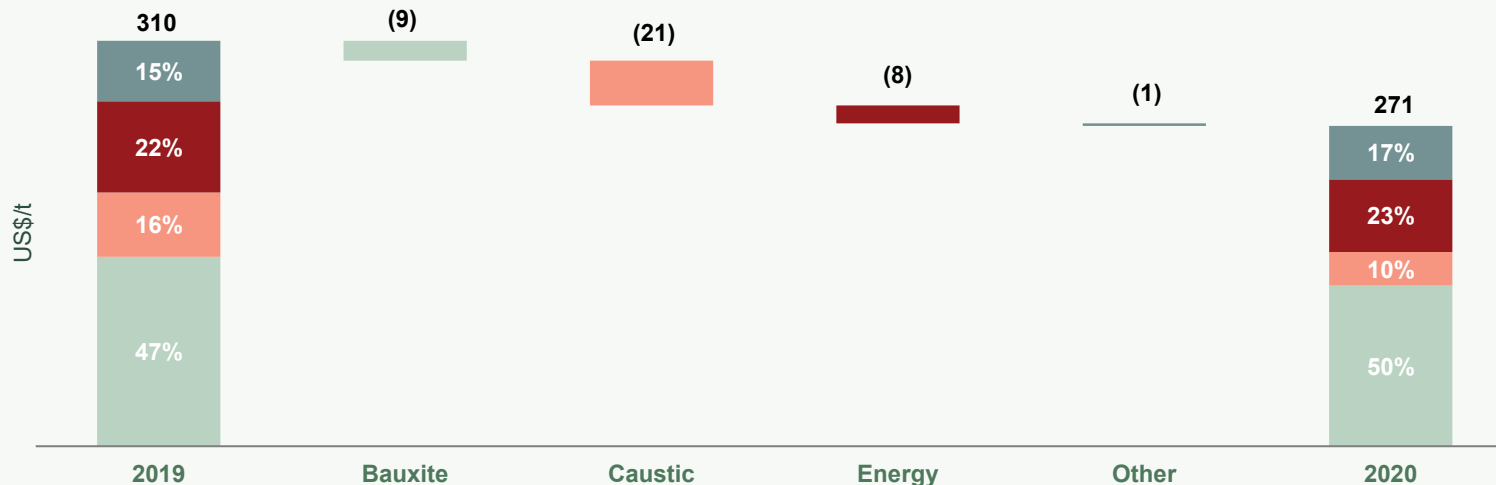
Average Global Alumina Cost Fell by 12% in 2020

Average Site Cost Breakdown



Average China Alumina Cash Cost and Sensitivity

2020 cash cost down by 13% with falling raw material prices and weak US dollar



	Change	Alumina cost
Imported bauxite	± US\$ 1/t	± US\$ 2.5/t
Caustic	± CNY 100/t	± US\$ 1.7/t
Thermal coal	± CNY 50/t	± US\$ 4.0/t
CNY/USD	± 0.1	± US\$ 3.0/t

Market Summary and Outlook

Aluminium

- Aluminium price recovered strongly in the second half of 2020
- Strong demand growth forecast for 2021

Alumina

- Balanced market globally in 2020, despite COVID
- Smaller RoW surplus forecast for 2021, expected to be absorbed by China
- Potential for 8 million tonnes of additional alumina to be required outside of China in the next 5 years

Quality of Assets

- Tier one assets and low refinery emissions

Appendix



AWAC Margin – Unadjusted vs Adjusted

Margin over the past 10 years unadjusted
in nominal prices (US\$/t)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-2020 ⁵
Realised Price ²	349	304	308	305	296	242	335	447	336	268	319
CAP ³	271	273	258	249	216	191	198	226	210	199	229
Margin ⁴	78	31	50	56	80	51	137	221	126	69	90
Platts (1m Lag)		317	327	328	314	243	349	473	344	270	329

Margin over the past 10 years adjusted in
real prices in 2020¹ dollars (US\$/t)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2011-2020 ⁵
Realised Price ²	392	348	354	350	334	261	354	461	340	268	346
CAP ³	296	291	272	258	218	201	209	233	213	199	239
Margin ⁴	96	57	82	91	116	60	145	228	128	69	107
Platts (1m Lag)		357	363	359	343	262	368	487	348	270	351

¹CAP and realised price have been adjusted and indexed and all figures converted to real 2020 dollars

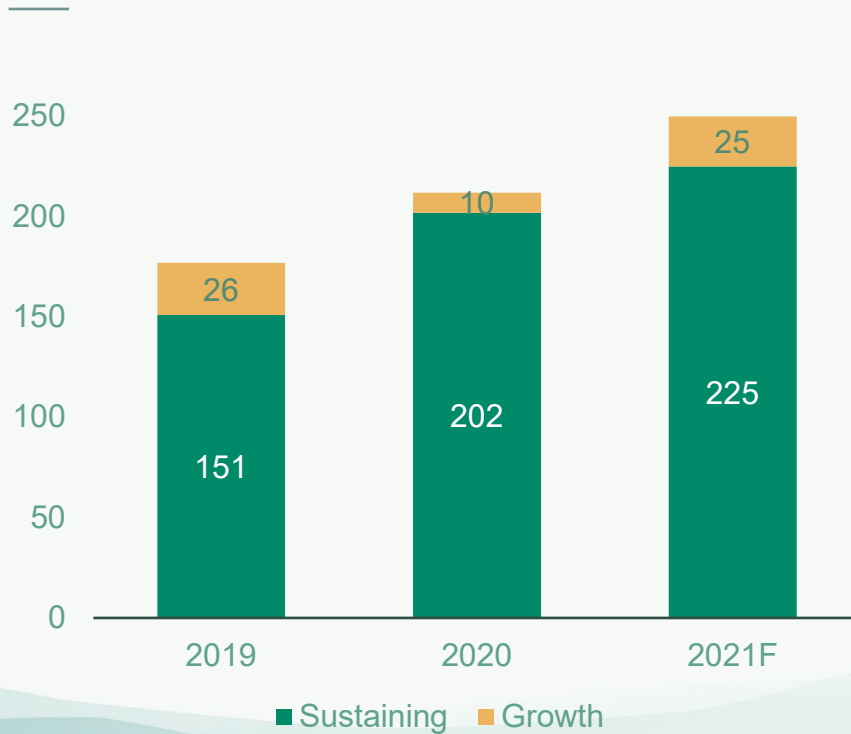
²Realised price for 2011-2015 has been adjusted to replicate more recent percentage of API contracts

³Prior to 2016 the CAP included high-cost refineries that are no longer part of the portfolio and as such have been removed from the calculated CAP.

⁴Margin calculated as realised price minus cash cost of production

⁵Average as calculated for 2011-2020

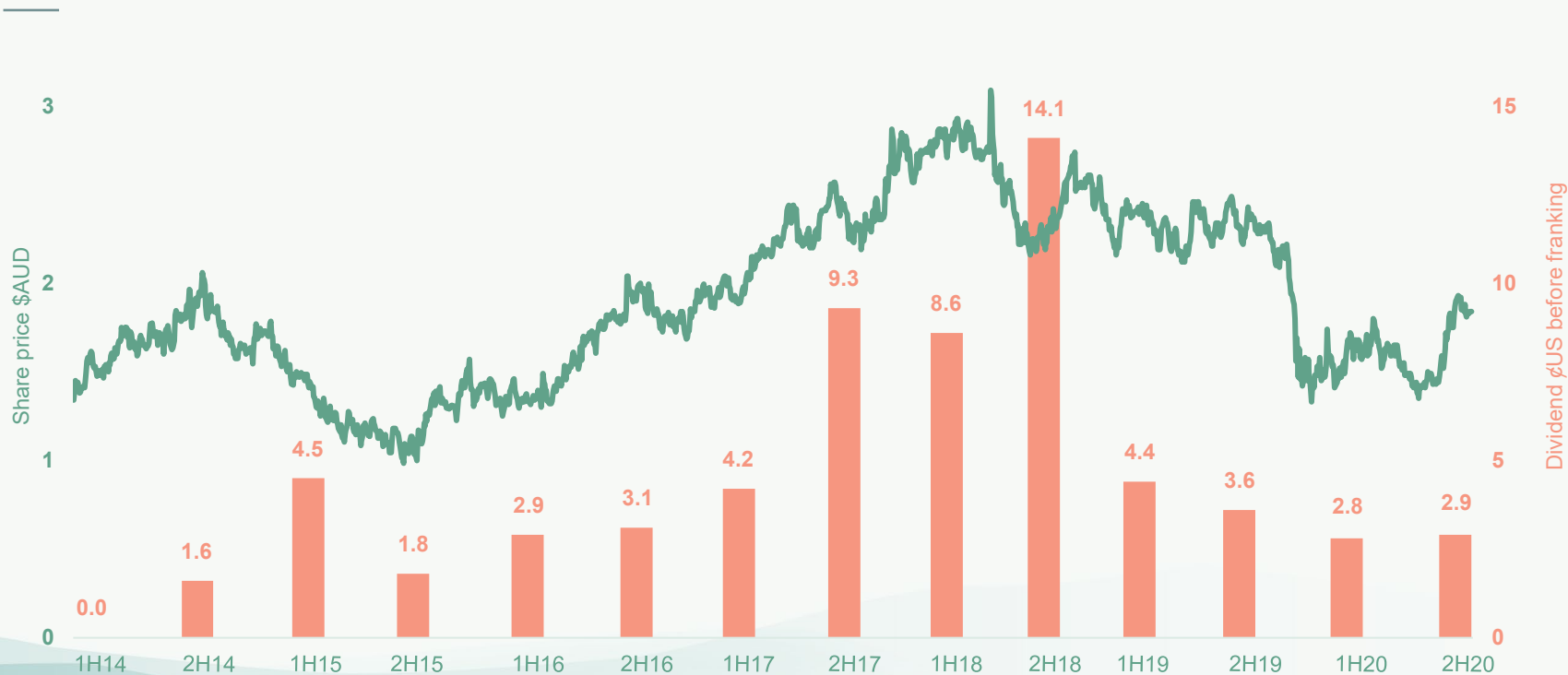
AWAC Capital Expenditure



CAPEX 2020

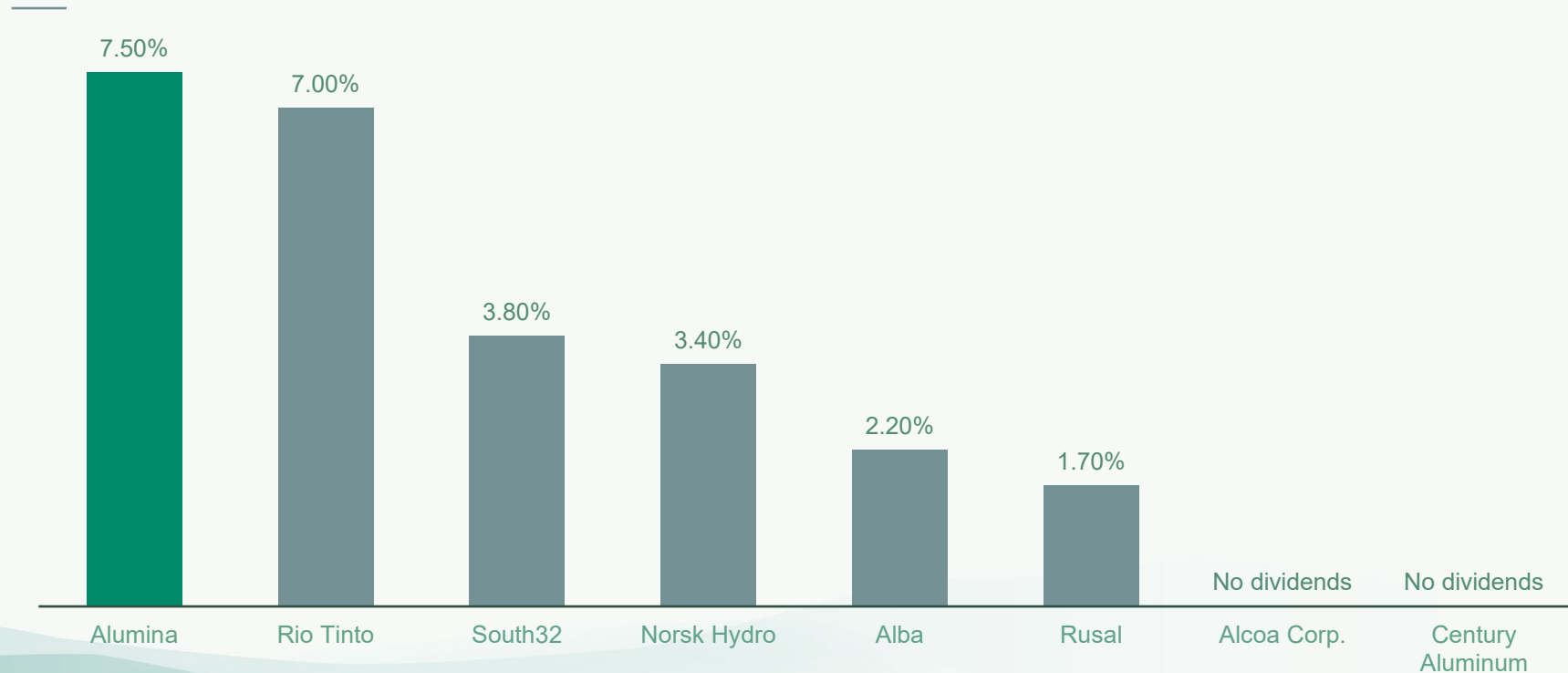
- Sustaining Significant Projects:
 - Willowdale's crusher move
 - Alumar residue storage areas
 - Juruti tailing ponds
- Growth projects for 2020 deferred

Alumina Ltd Share Price / Dividend History



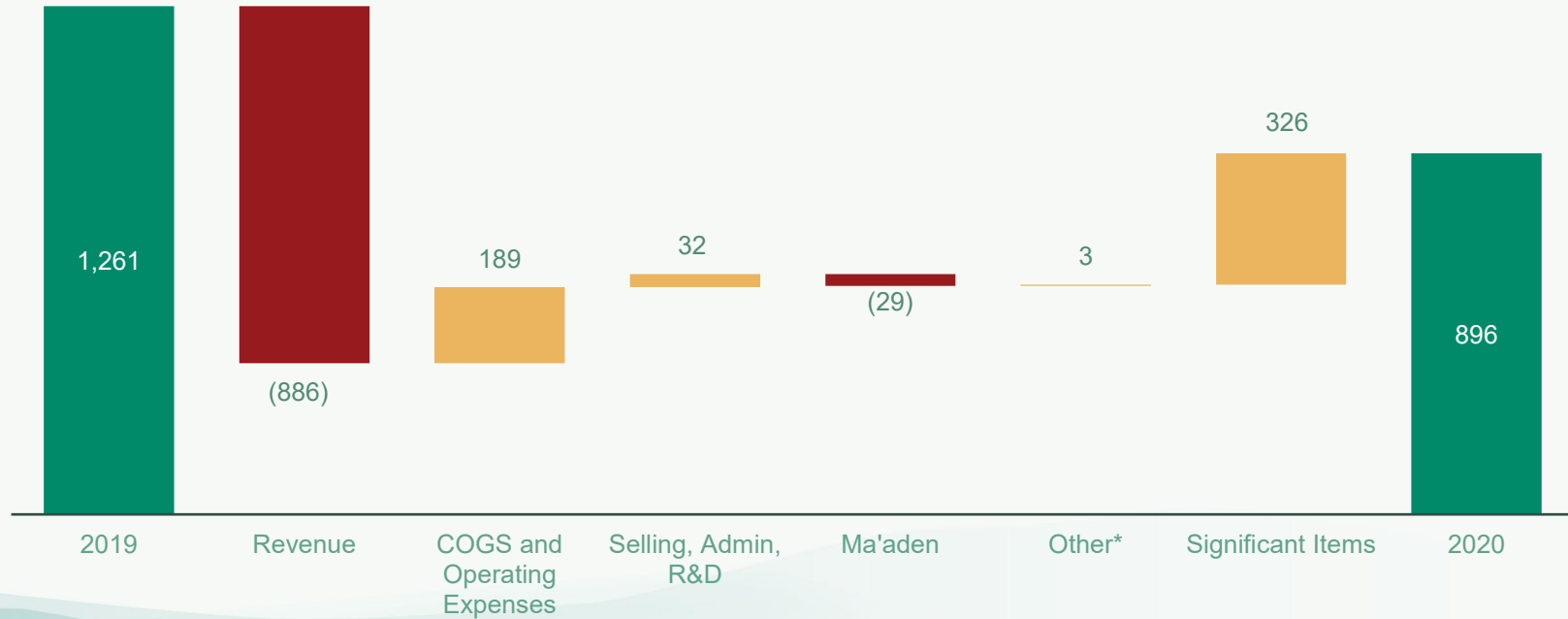
Alumina Ltd vs Peers Avg Dividend Yield⁽¹⁾

(Past five calendar years, excl franking credits)



Notes: (1) Dividend yield calculated as the average dividend declared from 23-Feb-16 to 17-Feb-21 divided by the average share price during that period

AWAC EBITDA^ Decreased by \$365M



^ Earnings before interest, tax, depreciation and amortisation

* Other includes gain/loss on asset disposal, FX exchange differences, derivative income/expense, and miscellaneous

Improved Bauxite Production and Third Party Shipments

Third Party Shipments

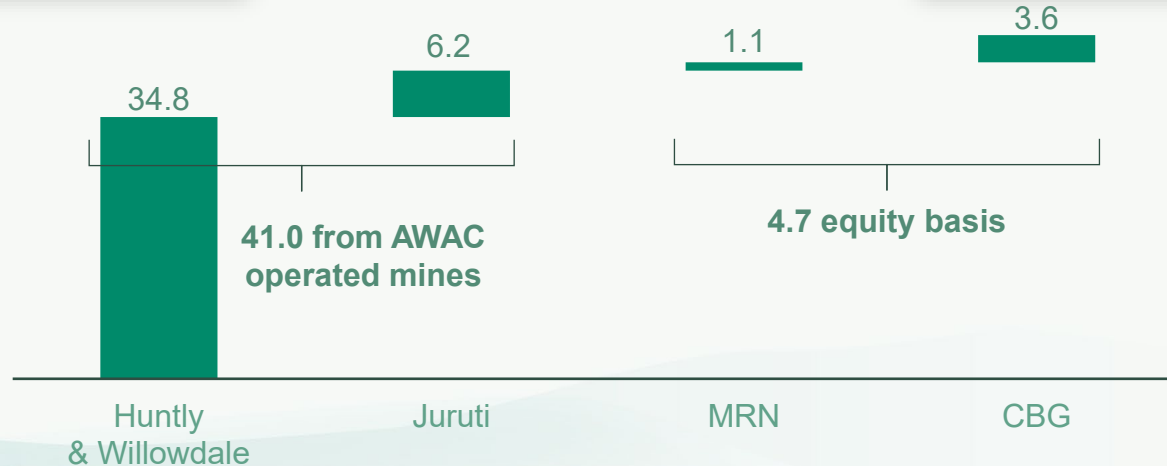
2020: 6.5Mbd

(2019: 6.2Mbd)

Cash Cost of Mining

2020: \$9.6/bdt

(2019: \$10.2/bdt)



Caustic Soda Prices

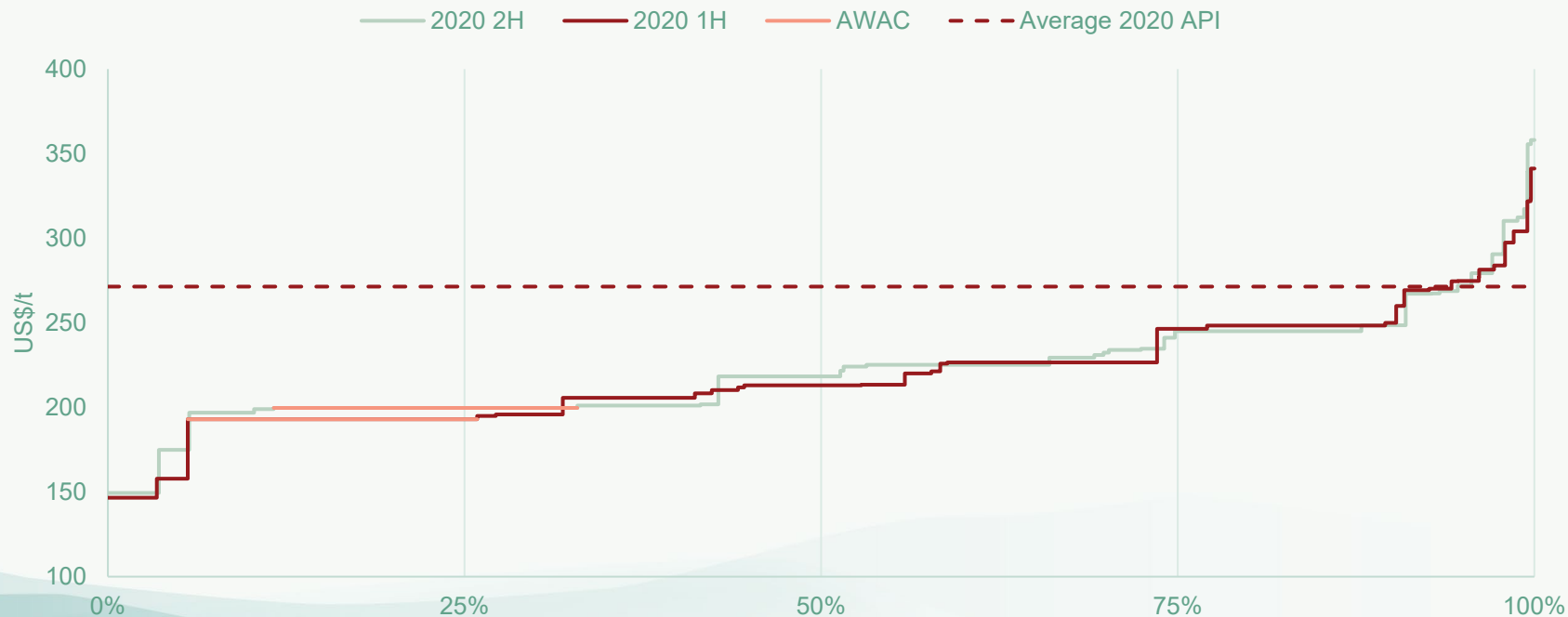
2021 caustic price sensitivity +/- \$100/t: approximately +/- \$90M EBITDA



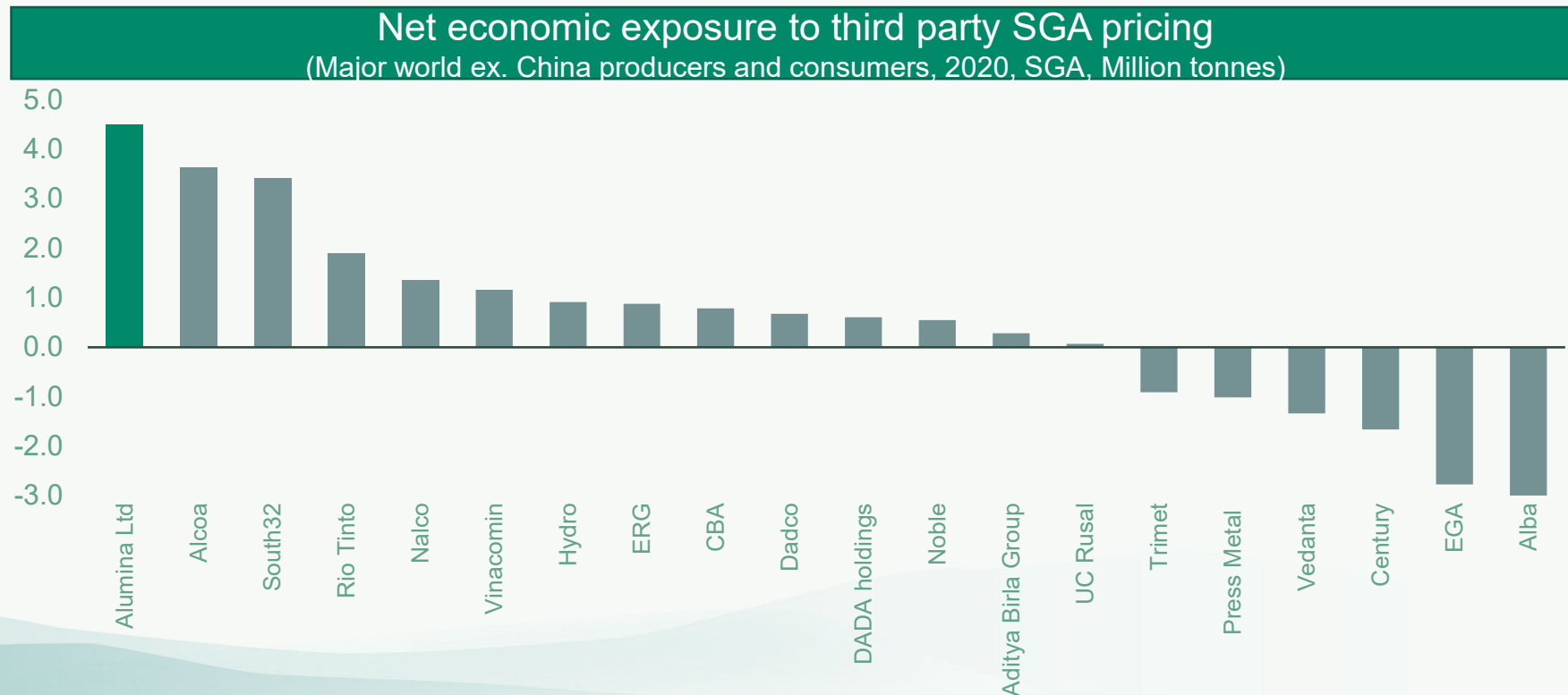
Brent Oil Prices (US\$/bbl)



RoW Cost Curve by Company



Alumina Ltd Largest Exposure to Third Party SGA Pricing excl. China

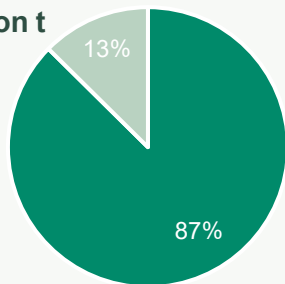


Note: All SGA shipments from AWAC to Alcoa are sold to Alcoa at market price

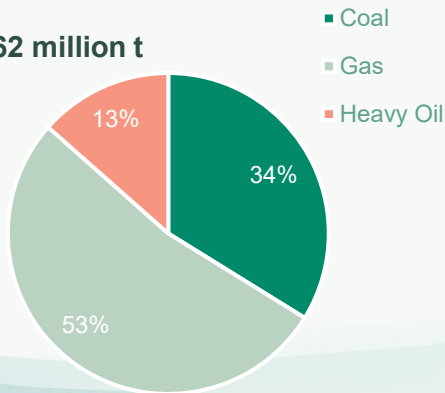
68% of Global Alumina Production Based on Coal and Oil (2020)

A large part of the industry has relatively high CO₂ emissions

China – 70 million t



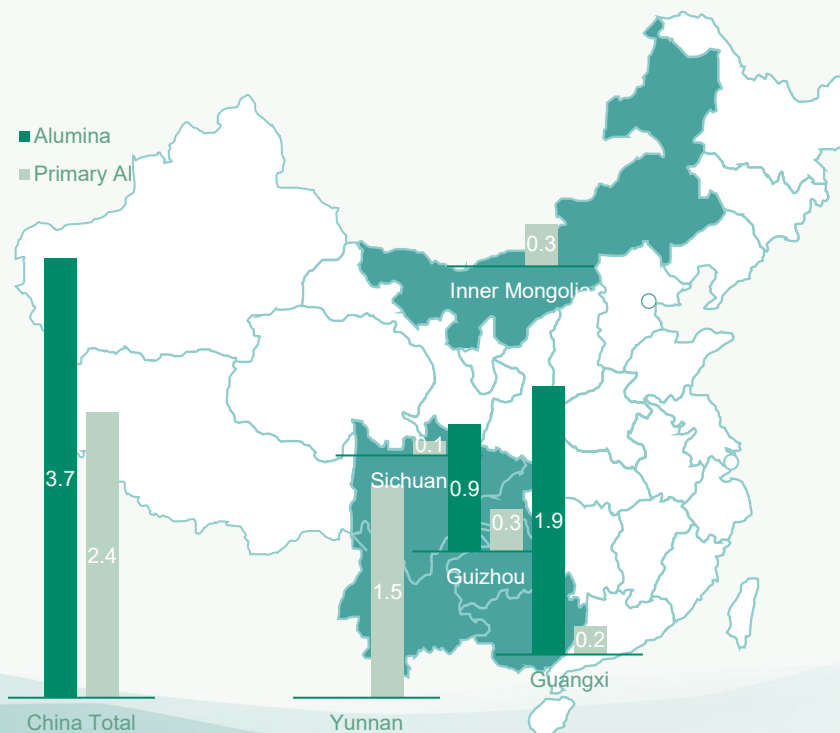
Non- China – 62 million t



- In 2019, 89% of AWAC's alumina production was based on gas, 4% on coal and 7% on heavy oil.
- Around 87% of alumina production in China is based on coal.
- Chinese producers are incentivised to decarbonise as China sets a carbon neutral goal by 2060, and implementation of a carbon trading scheme in February 2021.

Demand from Chinese New Smelting Capacity Outgrows New Refining Capacity in 2021*

Most new primary aluminium capacity in Southwest using hydro power



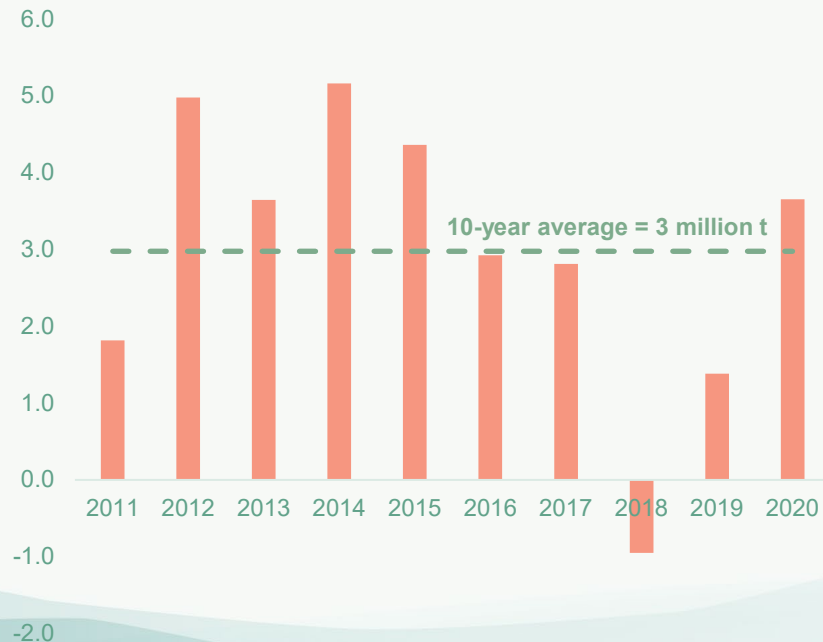
Province	Primary Aluminium Capacity (M tpa)	Alumina Capacity (M tpa)
Yunnan	1.5	-
Inner Mongolia	0.3	-
Guangxi	0.2	1.9
Sichuan	0.1	-
Guizhou	0.3	0.9
Chongqing	-	0.9
Total	2.4	3.7

* Note: SGA to primary aluminium ratio – China = 1.92:1

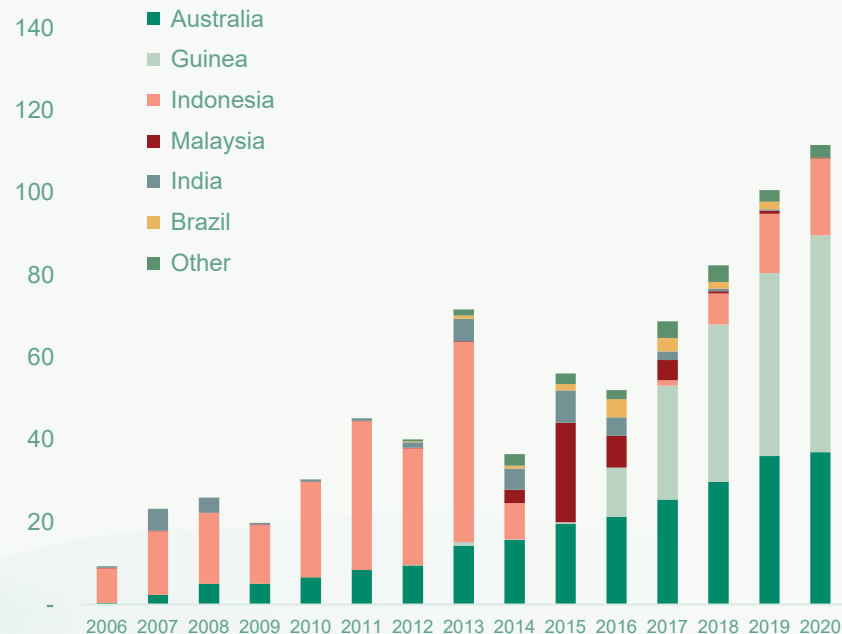
China's Robust Imports of Bauxite and Alumina

Bauxite imports continue to be overwhelmingly from three countries

China Alumina Net Imports (Million t)



China Bauxite Imports (Million t)



RoW Primary Aluminium Projects

Smelters Currently Under Construction:

Country	Company	Smelter	Capacity (M tpa)	Type
Russia	UC Rusal	Taishet (phase I)	0.43	Greenfield
Iran	Salco	Fars	0.30	Greenfield
Malaysia	Press Metal	Samalju	0.32	Brownfield/Greenfield
Total			1.05	

Other Projects Under Consideration:

Country	Company	Smelter	Capacity (M tpa)	Type
India	Vedanta	Jharsuguda II (Line 4)	0.31	Brownfield
Vietnam	Tran Hong Quan	Dak Nong (Phase I)	0.15	Greenfield
Russia	UC Rusal	Boguchansky (phase II)	0.30	Brownfield
Indonesia	Asahan Aluminium	Inalum	0.20	Brownfield
Egypt	Egyptalum	Nag Hammadi	0.25	Brownfield
Saudi Arabia	Ma'aden	Ras Al Khair	0.74	Brownfield
Kazakhstan	ENRC	Pavlodar	0.27	Brownfield
Indonesia	Asahan Aluminium	Inalum (West Kalimantan)	0.50	Greenfield
Total			2.72	

Limited New Alumina Capacity Committed Outside China

Refineries Currently Under Construction

Country	Company	Refinery	Capacity (M tpa)	Type	Status	Bauxite Source
Indonesia	Nanshan	Bintan	1.0	Greenfield	To be commissioned in 2Q 2021	Indonesia
Indonesia	Hongqiao	Ketapang Phase II	1.0	Brownfield	To be commissioned in 2H 2021	Indonesia
India	Hindalco	Utkal	0.5	Brownfield	To be commissioned in 1H 2021	India

Other Projects

Country	Company	Refinery	Capacity (M tpa)	Type	Status
India	Vedanta	Lanjigarh	2.0	Brownfield	Approved
Indonesia	Inalum/Antam	West Kalimantan	2.0	Greenfield	Under Consideration
Indonesia	Jinjiang	West Kalimantan	1.0	Greenfield	Under Consideration
Indonesia	Nanshan/Press Metal	Bintan	1.0	Brownfield	Under Consideration
India	Nalco	Damanjodi	1.0	Brownfield	Under Consideration
India	Hindalco	Rayagada	2.0	Greenfield	Under Consideration
Guinea	SMB/Winning	Dapilon	1.0	Greenfield	Under Consideration
Guinea	Chalco	Boffa	1.0	Greenfield	Under Consideration
Greece	Mytilineos	Distomon	0.9	Brownfield	Under Consideration
Laos	Slaco	Paksong	1.0	Greenfield	Under Consideration
Jamaica	JISCO	Alpart	2.0	Brownfield/Greenfield	Under Consideration