

## Alcoa Corp Fourth Quarter 2021 Earnings Release

Alumina Limited (ASX: AWC) notes Alcoa Corp's ("Alcoa") quarterly earnings release. To assist readers in understanding relevant market, operational and commercial matters of the AWAC joint venture, selected information from the Alcoa Bauxite and Alumina Segments, AWAC joint venture and Alumina Limited plus other market data is attached.

Alumina Limited's CEO, Mike Ferraro, said "As foreshadowed, AWAC's fourth quarter margins were significantly higher due to the spike in the alumina price caused by production disruptions at a number of refineries. The average one-month lagged API price for the fourth quarter was \$423 per tonne, 45% higher than the previous quarter. Higher energy prices along with rising caustic input prices were the main drivers to increasing production costs in the quarter offset by the resolution of the bauxite unloader issues from 3Q.

Sufficient alumina supply has now been restored so that the spot alumina price has eased back to \$348 per tonne, still well above the levels experienced through most of the past two years. Freight rates continue to be elevated which has an impact on the Chinese Import Parity Price.

The benefits of the higher margins will be reflected in the AWAC distributions to Alumina Limited in the first quarter of 2022. Net receipts from AWAC were \$33.8 million in January 2022 with further distributions expected in February 2022. The Board will take these exceptional circumstances into account when declaring the 2021 final dividend for Alumina Limited. This may result in bringing forward part of the dividend that would otherwise be paid as a part of the interim dividend in 2022. No decision has yet been made.

Alumina Limited had previously advised on 1 November 2021 of Mr Grant Dempsey's resignation as Chief Financial Officer, with Mr Dempsey finishing his employment on 31 January 2022. Ms Galina Kraeva, who is currently General Manager - Finance, will act as Interim Chief Financial Officer. Ms Kraeva has been employed by the Company since October 2012 and was previously a partner of Price Waterhouse Coopers."

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



### Company Secretary

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*About AWAC & Alcoa's Earnings Release*

*Alumina Limited owns 40% of each of the AWAC entities, which form a part of the Alcoa bauxite & alumina business segments. The Alcoa aluminium business segment includes the AWAC Portland smelting operations. Any closed operations are included in Transformation &*

legacy pension/OPEB. Therefore, the AWAC results cannot be directly inferred from the Alcoa earnings release. Further, unlike Alumina Limited, Alcoa reports under US GAAP. All figures displayed are in US dollars unless otherwise shown.

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# Alumina Limited

- Alcoa Corp's 4Q 2021 Bauxite and Alumina Segments' Highlights
- Market Data on Commodity Prices

20<sup>th</sup> January 2022

# Disclaimer

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## **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](http://www.asx.com.au).

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# Highlights

Alcoa Segments	4Q 2021	3Q 2021	Selected Highlights
<b>Adjusted EBITDA Total:</b>			<ul style="list-style-type: none"> <li>Alumina: Driven by 45% increase in API, partially offset by higher raw material and energy costs.</li> <li>Bauxite: Benefitted from higher production and higher third party prices plus other equity and tax improvements</li> <li>EBITDA margins include intersegment transfer price</li> </ul>
– Alcoa Alumina Segment	\$503m	\$148m	
– Alcoa Bauxite Segment	\$49m	\$23m	
<b>Adjusted EBITDA Margin:</b>			
– Alcoa Alumina Segment	34.3%	13.4%	
– Alcoa Bauxite Segment	19.0%	10.1%	
AWAC	4Q 2021	3Q 2021	Comments
<b>Production:</b>			<ul style="list-style-type: none"> <li>Refining / Mining: Includes CBG/MRN and excludes Ma'aden. Refer to slide 10 (including footnote 4) for further details.</li> <li>San Ciprian refinery has returned to full production following resolution of the industrial dispute at the adjacent Alcoa owned smelter.</li> <li>Cash Cost includes bauxite at cost: Higher energy prices along with rising caustic input prices were the main drivers in the quarter offset by the resolution of the bauxite unloader issues from 3Q.</li> <li>Realised Price: Higher by almost 40% and lower than the one-month lagged API due to product mix of contracts.</li> </ul>
– AWAC Refining Business (Million t)	3.1	3.1	
– AWAC Mining Business (Million bone dry tonnes – “bdt”)	11.2	11.1	
<b>Alumina Cost and Price:</b>			
– Cash Cost (\$/t production)	\$244	\$239	
– Realised Price (\$/t shipments)	\$409	\$294	
– One month lagged API (\$/t)	\$423	\$292	
Alumina Limited	4Q 2021	3Q 2021	Comments
<b>AWAC Net Distributions:</b>			<ul style="list-style-type: none"> <li>AWAC 4Q results were significantly higher than those in 2Q and 3Q</li> <li>Net receipts from AWAC were \$33.8 million in January 2022 with further distributions expected in February 2022.</li> <li>The Board will take these exceptional circumstances into account when declaring the 2021 final dividend.</li> </ul>
– Alumina Limited Receipts	\$38.9m	\$43.7m	
– Alumina Limited Contributions	(\$14.0m)	(\$12.0m)	
<b>Net Debt – Period End:</b>	\$55.9m	\$76.2m	

# AWAC 2021 Distribution Calendar

(Related to Alumina Limited Interim and Final Dividend 2021)

(US\$m)

2021: No later than	Relevant AWAC Entities	Description	Distributions from AWAC <sup>[1]</sup>	Contributions to AWAC <sup>[1]</sup>	Related to Alumina's
20 January	All	50% of each entity's US GAAP Net Income (if positive) for 4Q of previous year	14.8	N/a	2021 Interim Dividend
20 February	All except AWA LLC	Available Cash of each entity as at 31 January	47.1	N/a	2021 Interim Dividend
31 March	All	Working Capital Contributions	N/a	(Nil)	2021 Interim Dividend
20 April	All	50% of each entity's US GAAP Net Income (if positive) for 1Q	21.0	N/a	2021 Interim Dividend
20 May	All except AWA LLC	Available Cash of each entity as at 30 April	53.3	N/a	2021 Interim Dividend
30 June	All	Working Capital Contributions	N/a	(Nil)	2021 Interim Dividend
20 July	All	50% of each entity's US GAAP Net Income (if positive) for 2Q	16.0	N/a	2021 Final Dividend
20 August	All except AWA LLC	Available Cash of each entity as at 31 July	27.7	N/a	2021 Final Dividend
30 September	All	Working Capital Contributions	N/a	(12.0)	2021 Final Dividend
20 October	All	50% of each entity's US GAAP Net Income (if positive) for 3Q	29.0	N/a	2021 Final Dividend
20 November	All except AWA LLC	Available Cash of each entity as at 31 October	9.9	N/a	2021 Final Dividend
31 December	All	Working Capital Contributions	N/a	(14.0)	2021 Final Dividend

[1] Alumina Limited 40% share

# AWAC 2022 Distribution Calendar

(Related to Alumina Limited Interim and Final Dividend 2022)

(US\$m)

2022: No later than	Relevant AWAC Entities	Description	Distributions from AWAC <sup>[1]</sup>	Contributions to AWAC <sup>[1]</sup>	Related to Alumina's
20 January	All	50% of each entity's US GAAP Net Income (if positive) for 4Q of previous year	57.8	N/a	2022 Interim Dividend
20 February	All except AWA LLC	Available Cash of each entity as at 31 January	TBA	N/a	2022 Interim Dividend
31 March	All	Working Capital Contributions	N/a	(24.0) <sup>[2]</sup>	2022 Interim Dividend
20 April	All	50% of each entity's US GAAP Net Income (if positive) for 1Q	TBA	N/a	2022 Interim Dividend
20 May	All except AWA LLC	Available Cash of each entity as at 30 April	TBA	N/a	2022 Interim Dividend
30 June	All	Working Capital Contributions	N/a	(TBA)	2022 Interim Dividend
20 July	All	50% of each entity's US GAAP Net Income (if positive) for 2Q	TBA	N/a	2022 Final Dividend
20 August	All except AWA LLC	Available Cash of each entity as at 31 July	TBA	N/a	2022 Final Dividend
30 September	All	Working Capital Contributions	N/a	(TBA)	2022 Final Dividend
20 October	All	50% of each entity's US GAAP Net Income (if positive) for 3Q	TBA	N/a	2022 Final Dividend
20 November	All except AWA LLC	Available Cash of each entity as at 31 October	TBA	N/a	2022 Final Dividend
31 December	All	Working Capital Contributions	N/a	(TBA)	2022 Final Dividend

[1] Alumina Limited 40% share [2] Quarter to date

# Sensitivities & Dividend Impact

Commodity	Sale Proceeds & Cash Cost Main Components Impacted	Change	Sensitivity <sup>[1]</sup>	AWAC Pricing / Inventory Lag	AWC Dividend Lag <sup>[3]</sup>
Alumina Price Index <sup>[2]</sup>	Sale Proceeds	+\$10/t	Approximately +\$115 million EBITDA	1 month pricing plus 1 – 2 months settlement	7 – 12 months
Australian Dollar	Bauxite, Conversion, Energy	+ 1¢ AUD/USD	Approximately -\$21 million EBITDA	Negligible	6 – 11 months
Brazilian Real	Bauxite, Conversion, Energy	+ 10 ¢ USD/BRL	Approximately +\$5 million EBITDA	Negligible	6 – 11 months
Caustic Soda	Caustic	+\$10/dry metric tonne	Approximately -\$9-10 million EBITDA	Quarterly pricing plus 5 – 6 months inventory	Over 12 months
Oil (Brent)	Bauxite & Energy	+\$1/barrel	Approximately -\$2-3 million EBITDA	1 month pricing and 1 – 2 months inventory	7 – 12 months

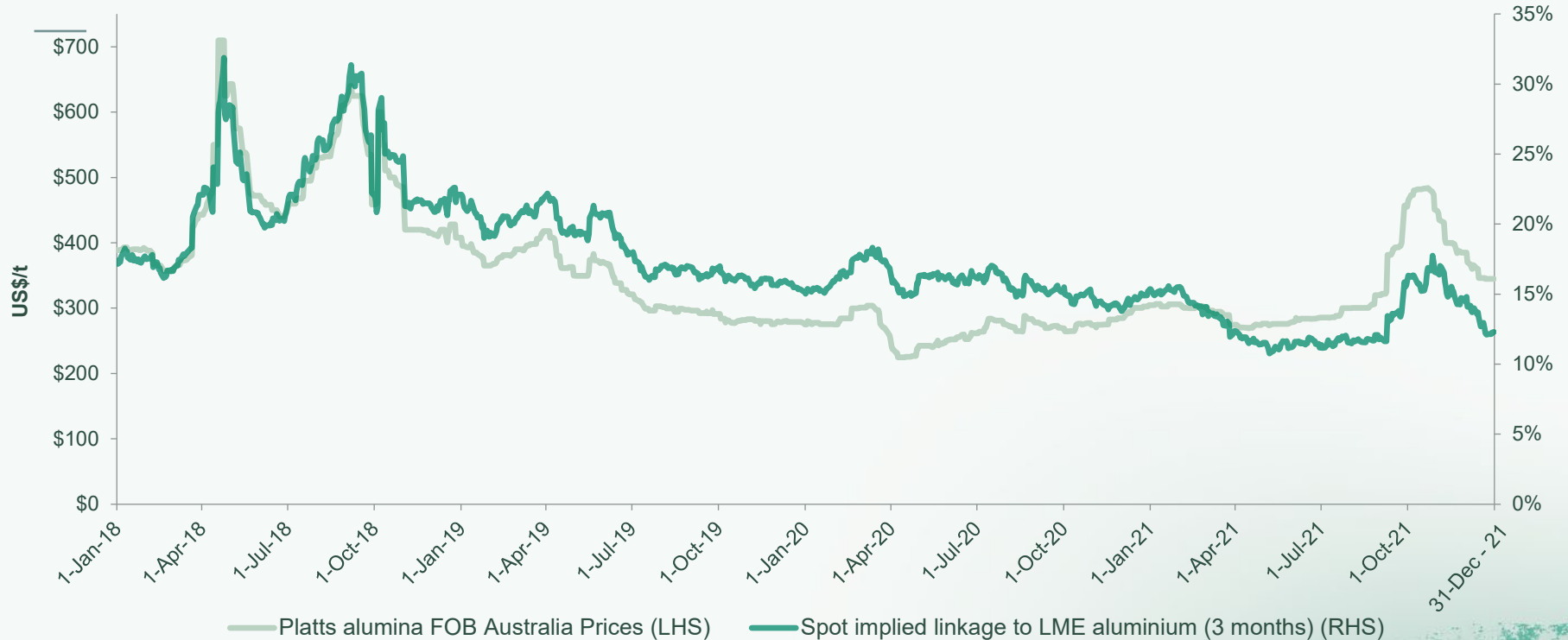
[1] Updated 24 August 2021

[2] AWAC's pricing is based on an average of the Platts (daily), Fastmarkets Metal Bulletin (daily) and CRU (weekly) Alumina Price Index (API) FOB Australia price from the prior month

[3] From date of price movement (includes effect of AWAC Pricing & Inventory Lag)



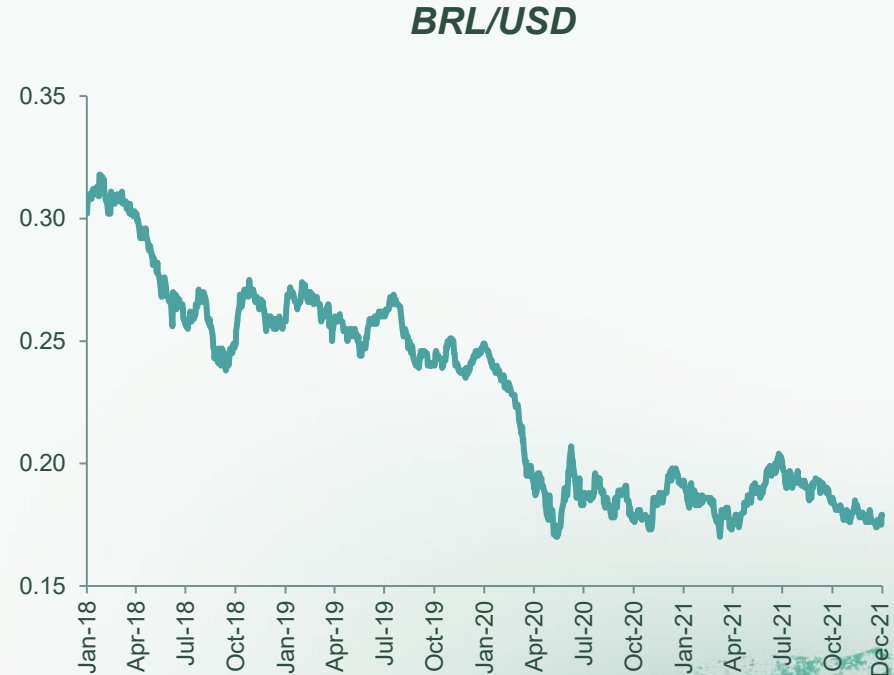
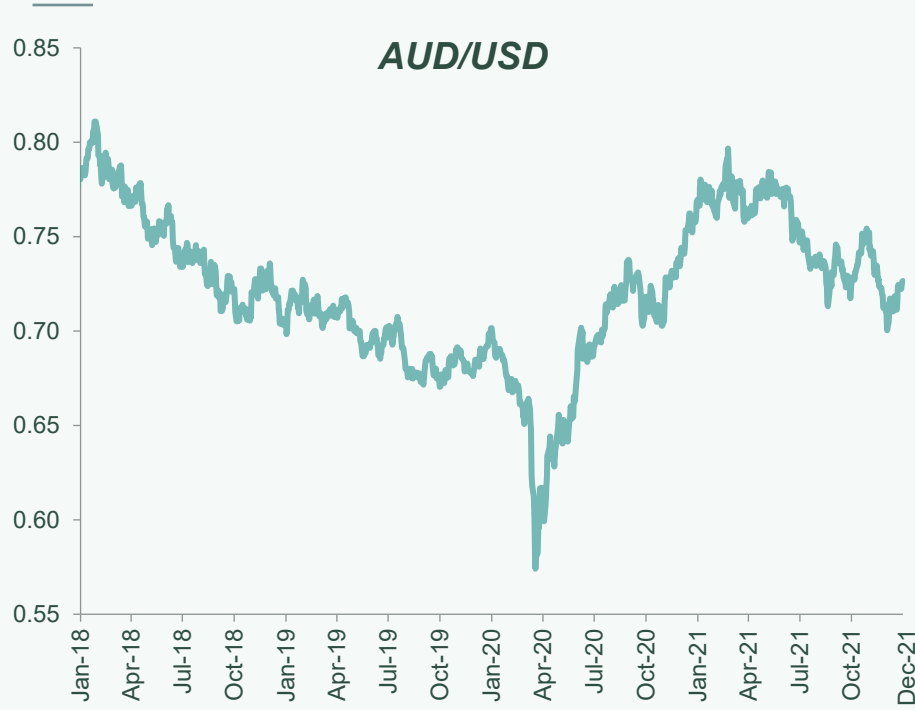
# Spot Alumina Prices & Implied LME Linkage



Sources: Alumina: S & P Global Platts, Jan 2022. LME Aluminium: Thomson Reuters, Jan 2022

Commodity prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

# Foreign Exchange



Source: Thomson Reuters, Jan 2022

Commodity prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

# Caustic Soda Prices



Source: S & P Global Platts, Jan 2022

Commodity prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

# AWAC Financial Statements

## Equity interests disclosure

	AWAC Financial Statements			Equity Share of Production 4Q 2021	Equity Share of Production 3Q 2021
	Revenue	COGS	Other Income / Expense		
CBG Bauxite Mine	✓ <sup>1</sup>	✓ <sup>1</sup>		893k bdt <sup>3</sup>	905k bdt <sup>3</sup>
MRN Bauxite Mine	✓ <sup>1</sup>	✓ <sup>1</sup>		295k bdt <sup>3</sup>	271k bdt <sup>3</sup>
Ma'aden Al Ba'itha Bauxite Mine			✓ <sup>2</sup>	263k bdt <sup>4</sup>	313k bdt <sup>4</sup>
Ma'aden Ras Al Khair Refinery			✓ <sup>2</sup>	120k t <sup>4</sup>	121k t <sup>4</sup>

<sup>1</sup> Bauxite is purchased at the partner price and recorded in COGS. Third party bauxite sales are recorded in Revenue. The equity accounted share of CBG and MRN's profit or loss is recorded in COGS

<sup>2</sup> AWAC's equity accounted share of Ma'aden's profit and loss is recognised in Other Income/Expense

<sup>3</sup> Based on the terms of its bauxite supply contracts, AWAC's bauxite purchases from the MRN and CBG, differ from their equity share of production in those mines

<sup>4</sup> Given that Ma'aden's results do not flow through AWAC's Revenue or COGS, its production is not included in AWAC's total Production, Realised Price, or Cash Cost. Ma'aden mine is fully integrated with the Ma'aden refinery. If the Ma'aden Cash Cost or Realised Price was included in the relevant AWAC calculation it would not have a material impact.