

Alumina Limited

2022 Half-Year Results

Mike Ferraro

Managing Director and Chief Executive Officer

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2022 Half-Year – Solid Result and Increased Margin

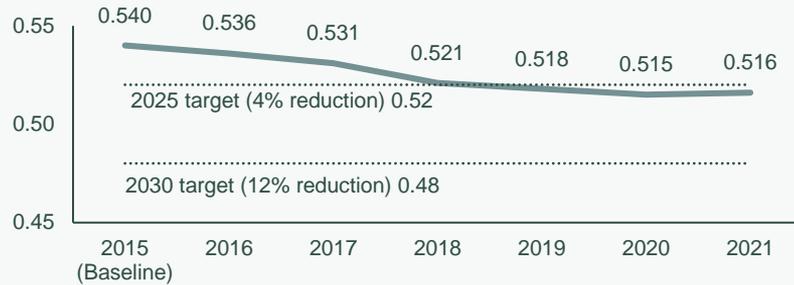


- NPAT 128% increase to \$168M
- NPAT excl significant items 73% increase to \$120M
- Higher margins driven by alumina prices despite global cost pressures
- Higher Interim Dividend of 4.2 US cps
- Decarbonisation supports strong demand fundamentals for the medium to long term

Key Sustainability Metrics

First quartile on the global refinery emissions intensity curve

Refinery GHG¹ emissions intensity (t of CO₂e / t of alumina²)



- Emissions intensity relatively flat
- Potential this decade for:
 - Fuel switch at Alumar
 - MVR³ pilot
 - Electrical grid greening

Smelter GHG emissions intensity (t of CO₂e / t of aluminium²)



- Electrical grid greening in Victoria
- Portland offshore wind farm MOU

¹GHG (greenhouse gas)

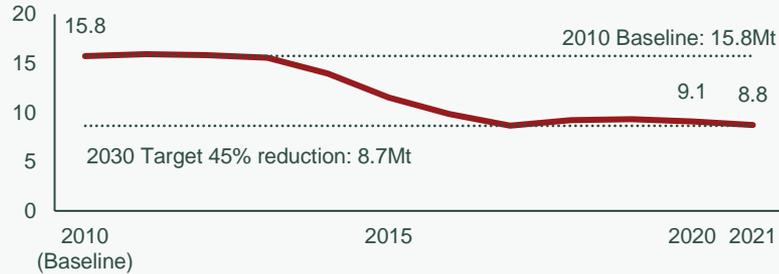
²AWAC full facility basis (scope 1 & 2)

³MVR (Mechanical Vapour Recompression)

Key Sustainability Metrics

Reduced emissions and more renewable energy

AWAC GHG emissions (Mt of CO₂e¹)



- Improvements at Portland
- Decreased alumina production

Electricity (% sourced from renewable generation¹)



- >5Gwh consumption¹
- Electrical grid greening in Victoria

¹AWAC full facility basis (scope 1 & 2)

Biodiversity and Rehabilitation

A long history of stewardship

- Environmental stewardship for 60 years
- Shallow surface mining, progressive rehabilitation
- Biodiversity management
 - Individual site plans: pre-mining to rehabilitation
 - No mining of conservation reserves, old growth forests
 - 100% return of plant species at WA mines in 2020
 - Avoidance of threatened species critical habitat
 - Planted 550k native seedlings at WA mines in 2021



Aluminium is a Key Part of the Carbon Transition

- Aluminium is a key material for solar, electric vehicles, and transmission
- Decarbonisation of the aluminium value chain requires investment in renewables
- Need policy clarity to support investment
- Government has a role in facilitating emissions reduction through:
 - Supporting a reduction in the delivered cost of clean energy
 - Scaling the breakthrough technologies



Galina Kraeva

Chief Financial Officer

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AWAC

2022 Half-Year Results



2022 AWAC Half-Year Results*



Financials



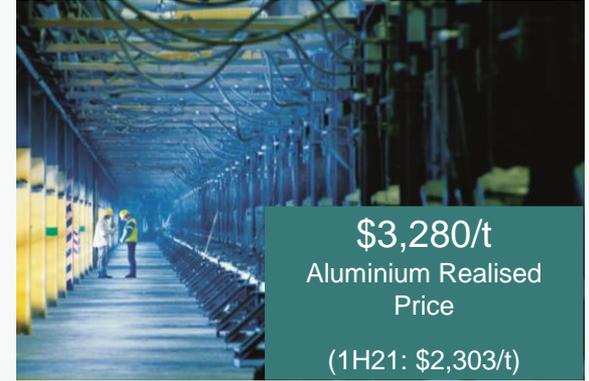
\$836M EBITDA	\$439M NPAT
(1H21: \$465M)	(1H21: \$202M)

Alumina



6.1M t@ \$304/t Production/Cash Cost
(1H21: 6.4M t@ \$230/t)

Aluminium and Bauxite



\$3,280/t Aluminium Realised Price
(1H21: \$2,303/t)



\$495M CFO
(1H21: \$318M)



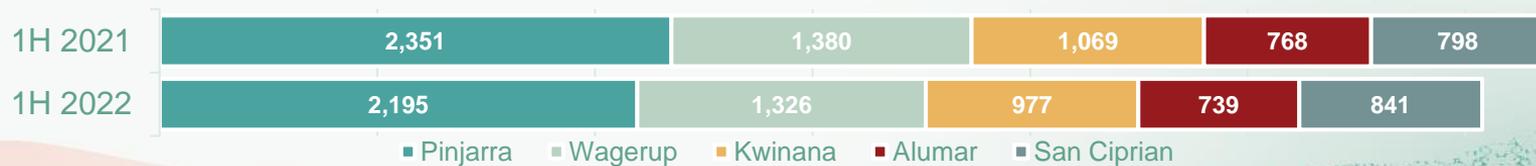
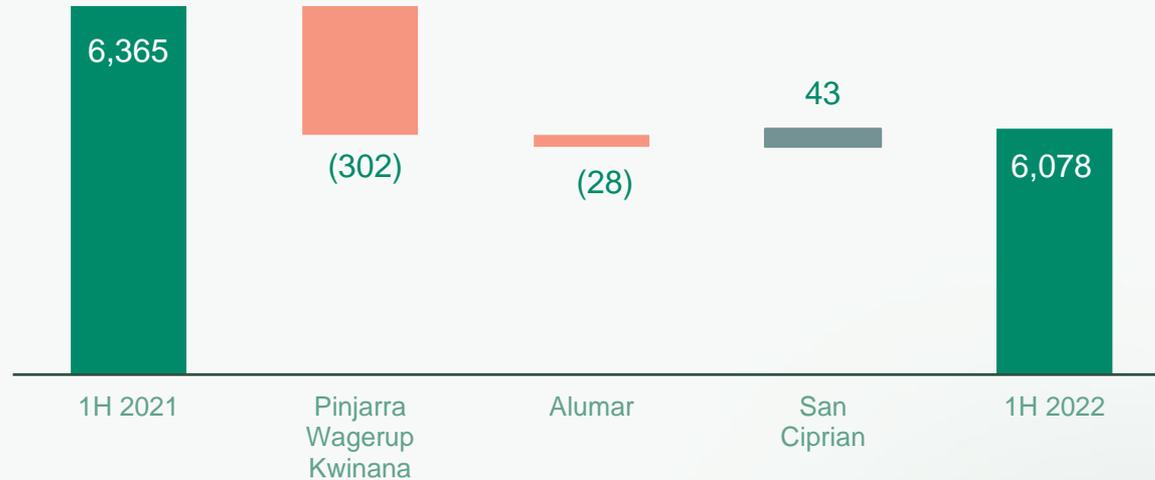
\$398/t Alumina Realised Price
(1H21: \$290/t)



18.0M t Bauxite Production
(1H21: 20.6M t)

* USGAAP

AWAC Alumina Production (Kt)



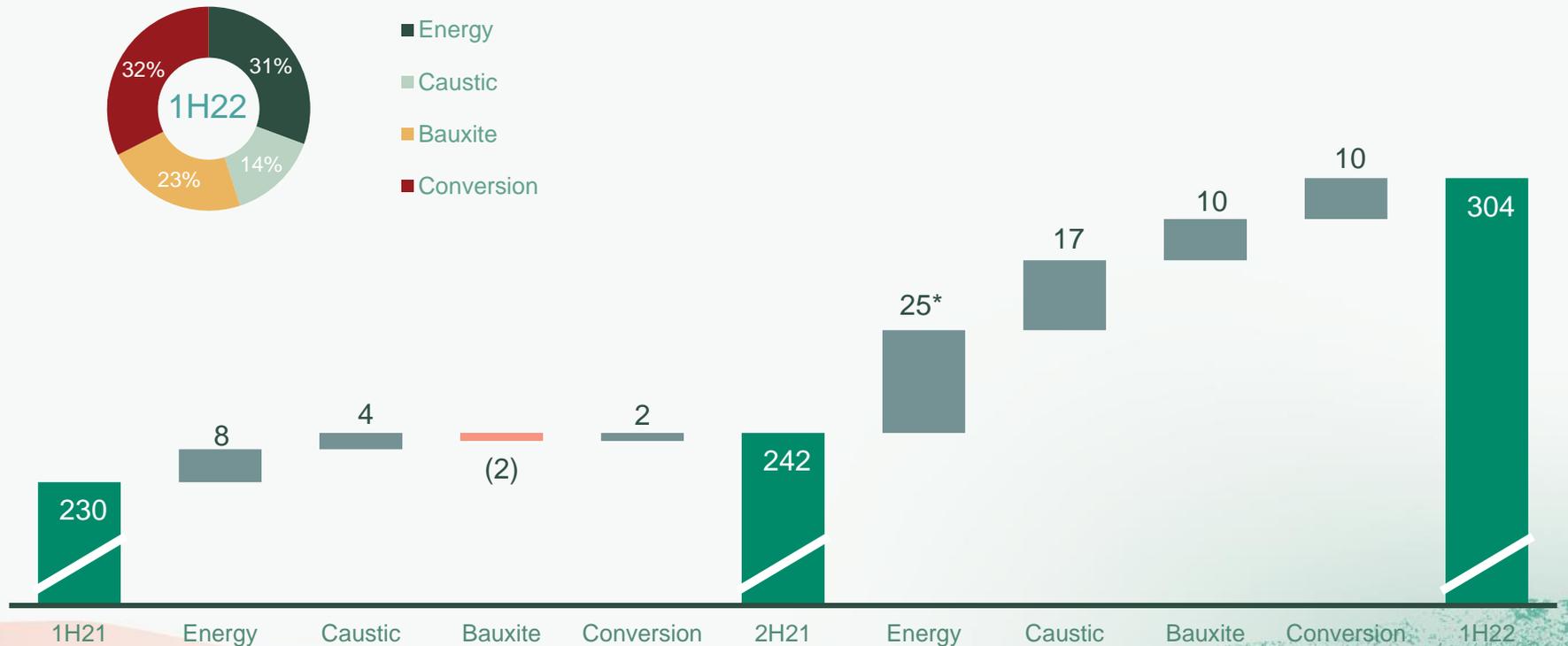
AWAC Alumina Realised Price

Realised price and API (1m lag) - (\$/t)



1H22 AWAC Alumina Cash Cost (\$/t)

Increased \$74/t from 1H2021

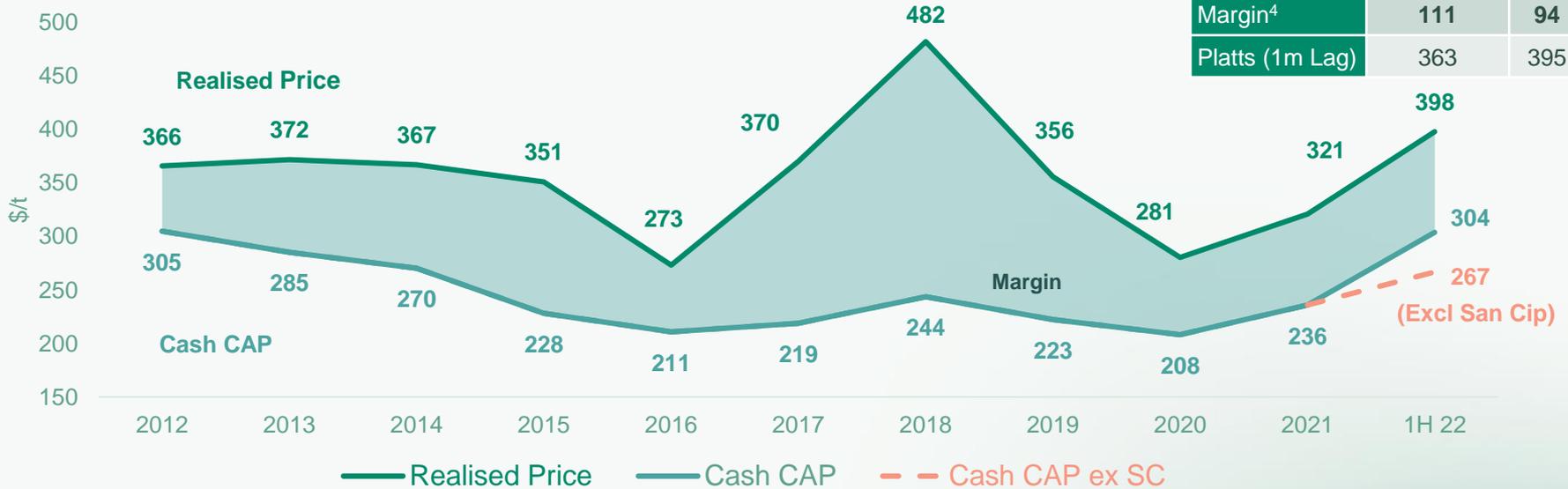


*More than 80% is attributable to the increase in European gas prices

AWAC Adjusted Margin

Adjusted¹ price, cash cost, and real prices²

	2012- 2021 ³	1H22
Realised Price	354	398
CAP	243	304
Margin ⁴	111	94
Platts (1m Lag)	363	395



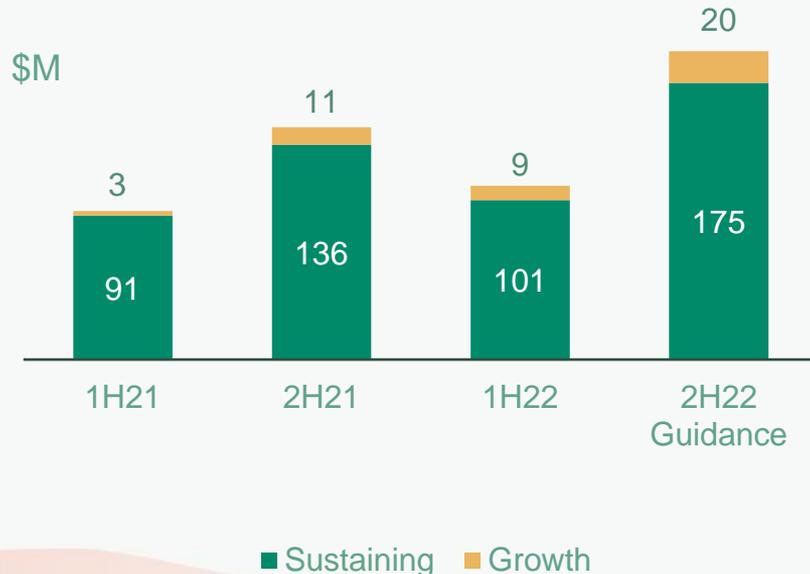
¹Refer to slide 30 in the appendix for details on how adjustments have been made

²2012-2021 figures in real 2021 dollars

³Averages as calculated for 2012-2021. Median Margin for same period was \$92/t and if highest and lowest margin were excluded average would be \$101/t

⁴Margin calculated as realised price minus cash cost of production

AWAC Capital Expenditure and Significant Projects



CAPEX 1H 2022

- Tailings and residue storage areas – Juruti and Alumar
- Juruti mine move

CAPEX 2H 2022 Forecast

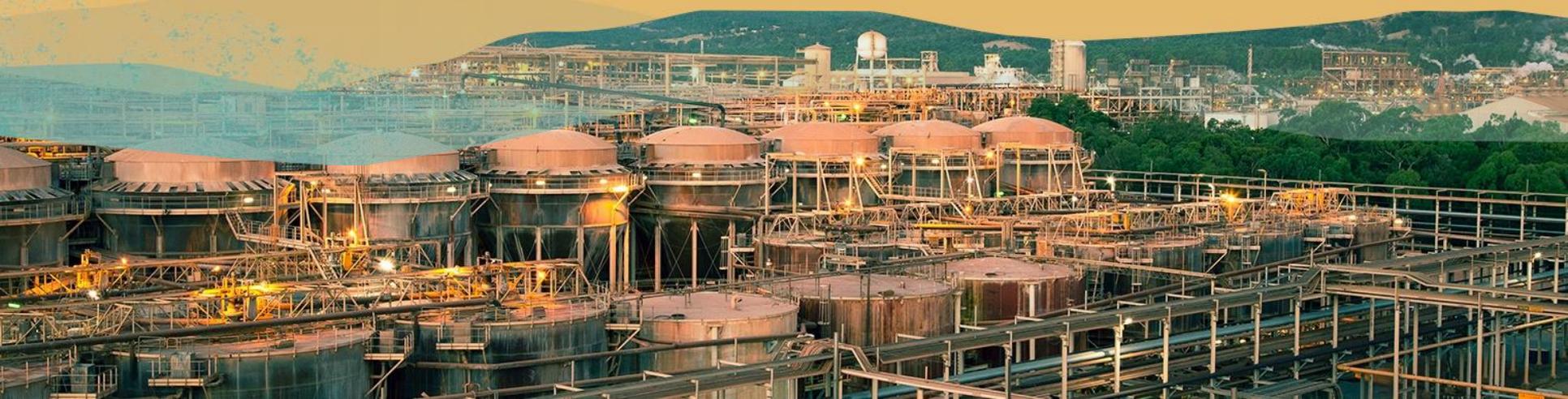
- Tailings and residue storage areas – Juruti, Alumar and Pinjarra
- Juruti mine move
- Debottlenecking at Alumar
- Mechanical Vapour Recompression preliminary stage
- Favourable AUD FX effect on 2nd half guidance

2022 Full Year AWAC Outlook



Item		1H Actual	2022 Outlook	Change from February Outlook
Production (Mt)	Alumina	6.1	12.1-12.2	↓ 0.6-0.7
Production (kt)	Aluminium	75	160	↓ 5
3 rd Party Shipments– Bone Dry Tonnes (M bdt)	Bauxite	1.4	3.0	↓ 2.3
Cash Items(\$M)	Sustaining Capex	101	~275	↓ 25
	Growth Capex	9	~30	↓ 10
	Restructuring Related Items	27	~70	-
	Tax Payments related to prior year	120	120	-

Alumina Limited 2022 Half-Year Results



Alumina Limited

2022 half-year results

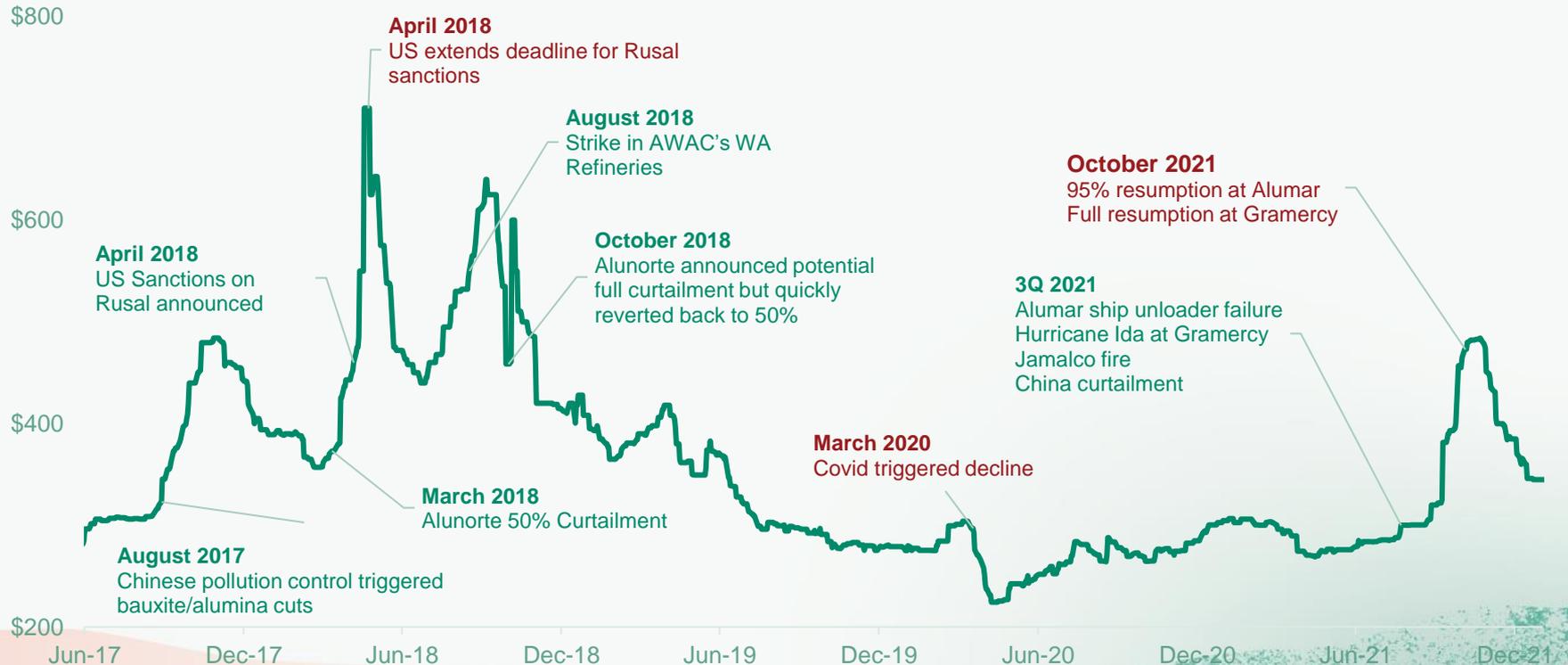


- NPAT
\$167.9M increasing 128%
(1H21: \$73.6M)
- NPAT excl significant items
\$119.6M increasing 73%
(1H21: \$69.2M)
- Interim dividend:
4.2 US cps, 5-year avg yield of 7.4%
(1H21: 3.4 US cps)
- Gearing ratio: Cash positive in 1H22
(2021: 3.2%)

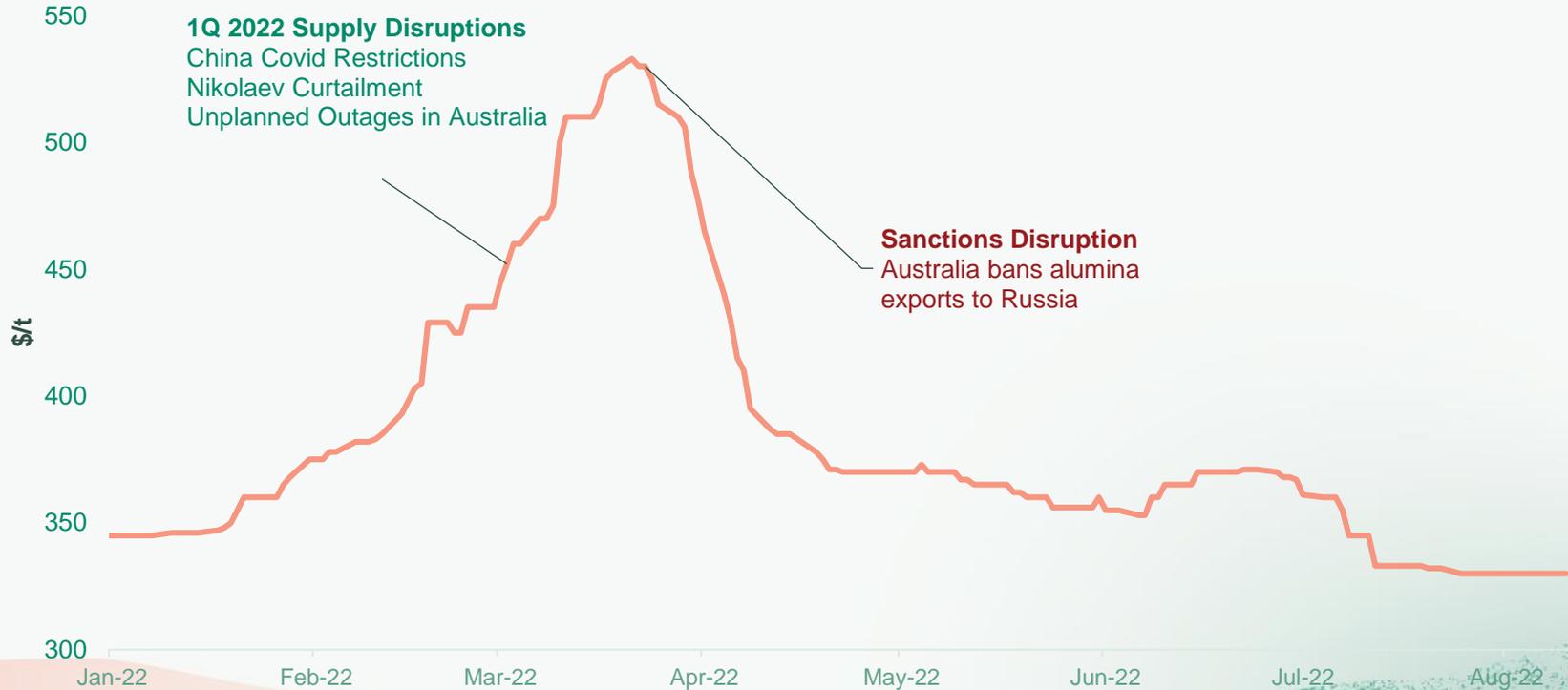
Market Review and Outlook



Alumina Spot Prices (API) React Sharply and Promptly to Supply Disruptions

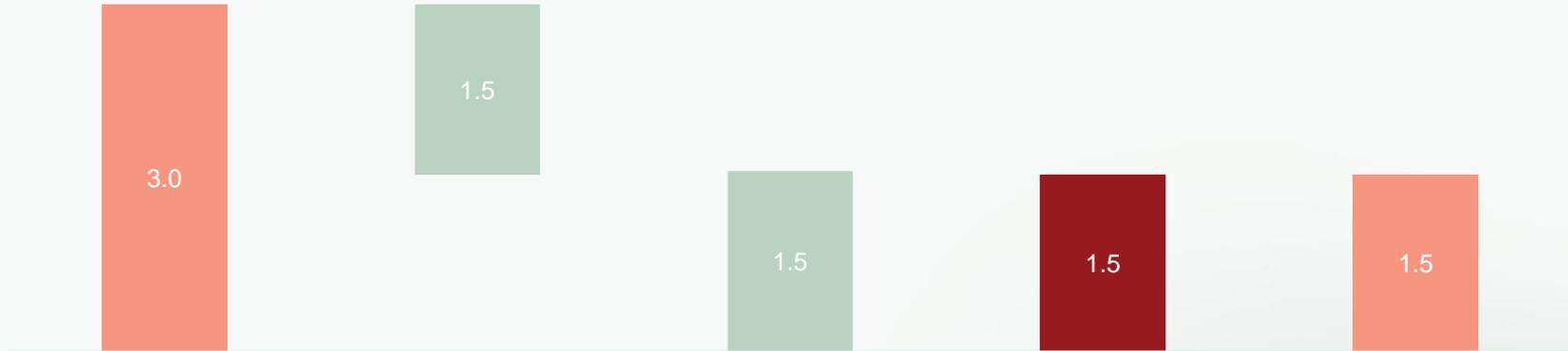


Strong API During 1H 2022, Averaging \$396/t



Supply Disruptions Reduced Ex-China SGA* Surplus

2022 Ex-China SGA Balance Before Australian Ban (M t)



Estimated Surplus at Feb 22

Nikolaev Shutdown

Other Operational Issues & Project delays

Smelting Disruptions & Delays

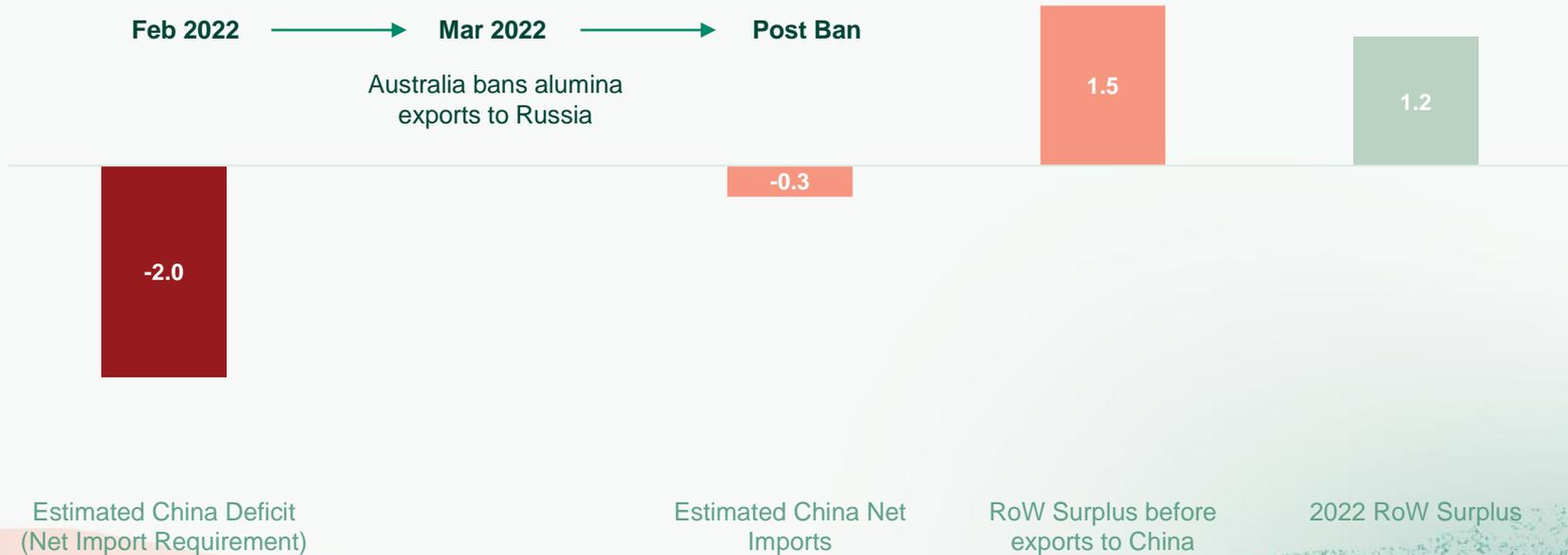
Demand Disruption

Surplus before exports to China

*Smelter Grade Alumina

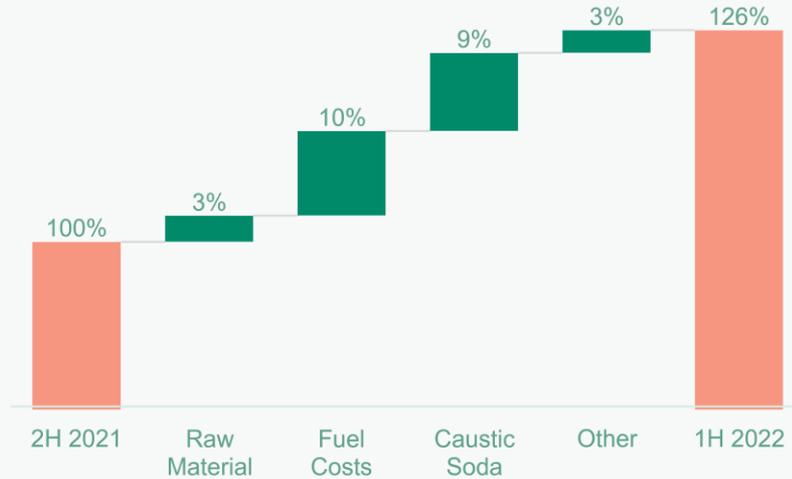
Australian Ban on Alumina Exports to Russia Prompted Chinese Alumina Export and Regional Excess in the Pacific

2022 Ex-China SGA Balance Post Australian Ban (million t)



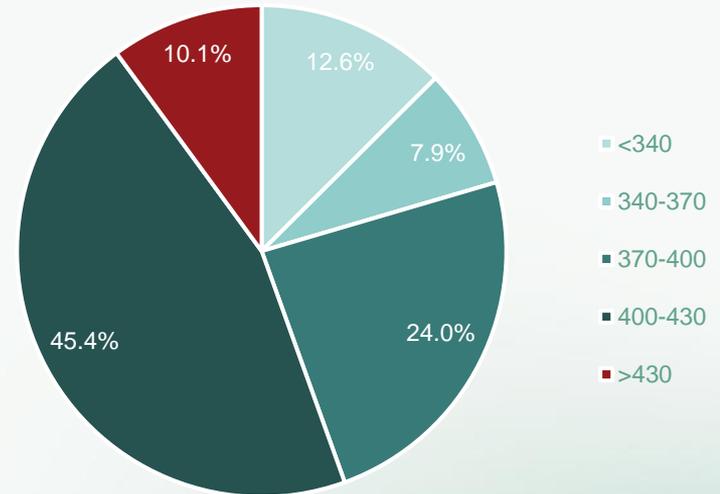
RoW Alumina CAP up by 26% from Previous Half

RoW alumina CAP



Source: CRU -Site Costs, July 2022

Jun 2022 Chinese Cash Cost (US\$/t, post VAT)



Source: CM Group, July 2022

Lower Australia to China Handysize Freight Lifting China Import Parity Price

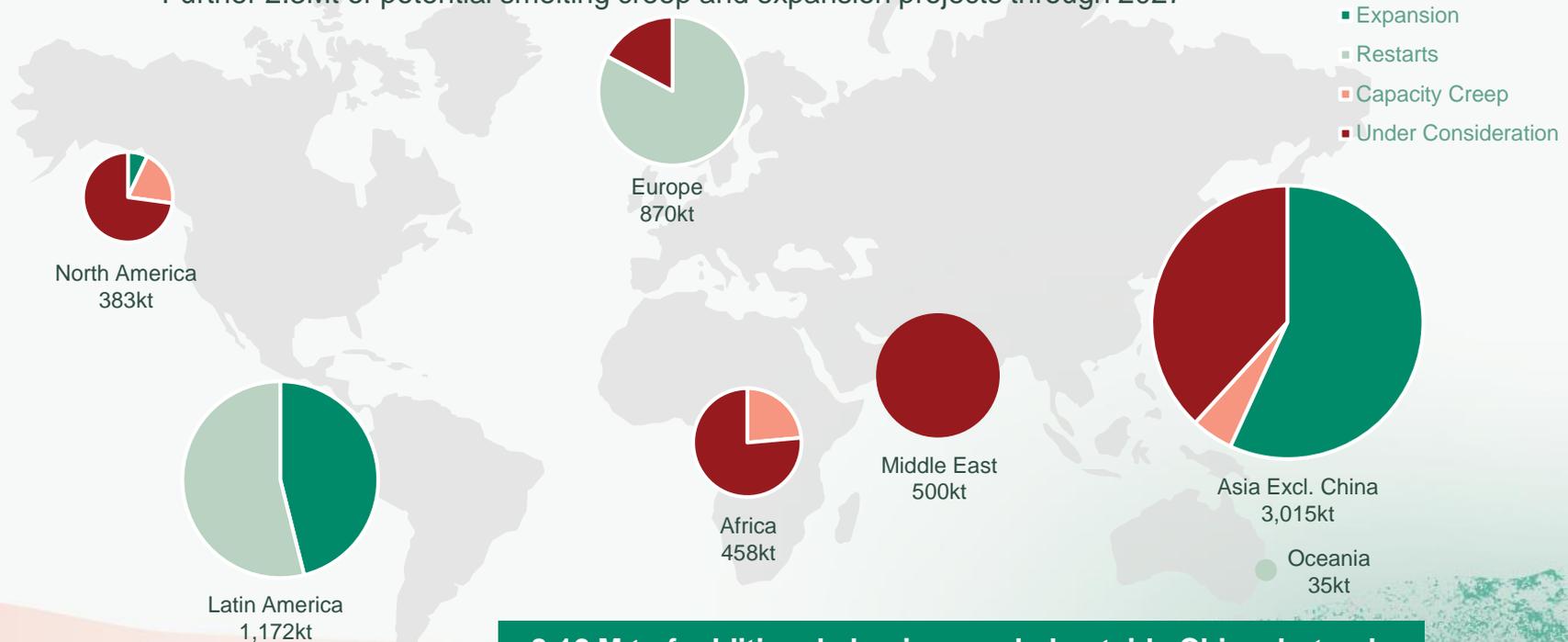
Handysize Freight (Australia – China)



Strong Aluminium Production Growth Outside China (2022-2027) **ALUMINA** LIMITED

Looming deficit of alumina in this decade outside China

- 4Mt of expected smelting expansion and restarts in next 5 years
- Further 2.3Mt of potential smelting creep and expansion projects through 2027



8-12 M t of additional alumina needed outside China, but only 3 M t of additional production committed

Market Summary and Outlook



Alumina Market

- Supply disruptions underpinned high alumina prices in 1H 2022
- Russia-Ukraine conflict pushing up raw material and energy prices
- Australia ban on alumina exports to Russia prompted high-cost Chinese alumina export and excess alumina in the Pacific



Market Outlook

- Price support expected through on-going high costs, particularly energy and bauxite
- Potential for bauxite supply constraints from Indonesia and Guinea in 2H could lead to Chinese alumina production curtailment
- On-going alumina production supply risks could result in spot shortages and price spikes

Actions on Climate Change

- AWAC now derives 36% of its electricity from renewable generation
- In 2021, AWAC planted 550,000 native jarrah forest plants at the Huntly and Willowdale mines



Appendix



AWAC Margin – Unadjusted vs Adjusted

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

Margin over the past 10 years adjusted in real prices in 2021¹ dollars (US\$/t)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2012-2021 ⁵
Realised Price	304	308	305	296	242	335	447	336	268	321	316
CAP	273	258	249	216	191	198	226	210	199	236	226
Margin ⁴	31	50	56	80	51	137	221	126	69	85	91
Platts (1m Lag)	317	327	328	314	243	349	473	344	270	324	329

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2012-2021 ⁵
Realised Price ²	366	372	367	351	273	370	482	356	281	321	354
CAP ³	305	285	270	228	211	219	244	223	208	236	243
Margin ⁴	61	87	97	123	62	151	238	134	72	85	111
Platts (1m Lag)	374	380	375	359	274	385	510	364	282	324	363

¹CAP and realised price have been adjusted and indexed and all figures converted to real 2021 dollars

²Realised price for 2012-2015 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 2012-2021

AWAC Sensitivities

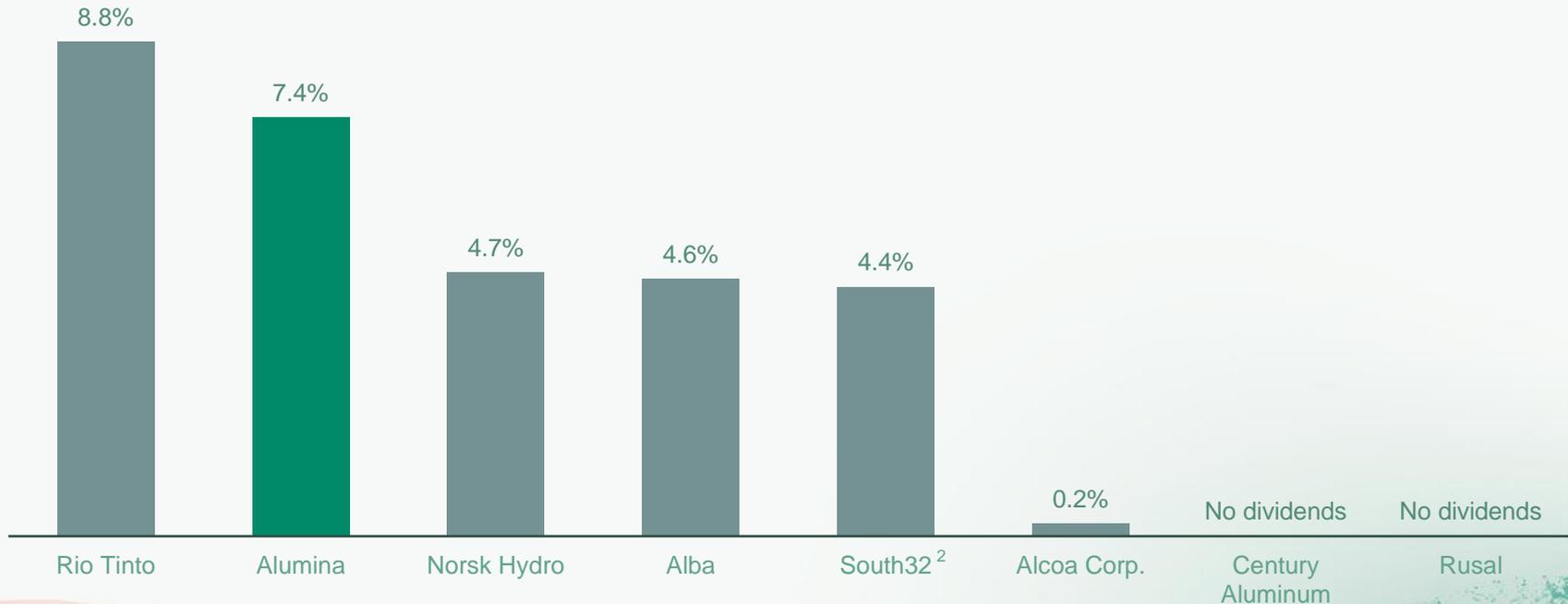
Item		2022 Sensitivities
EBITDA Sensitivities	API +/- \$10/t	Approx. +/- \$110M
	Caustic +/- \$10/dmt	Approx. +/- \$10M
	AUD/USD +/- 1c	Approx. +/- \$23M
	USD/BRL +/- 10¢	Approx. +/- \$5-6M
	Brent Oil +/- \$1/bbl	Approx. +/- \$2M

Alumina Ltd Share Price / Dividend History



Alumina Ltd vs Peers Avg Dividend Yield¹

(Past five calendar years, excl franking credits)



Notes: ¹ Dividend yield calculated as the average dividend declared from 24-Aug-17 to 11-Aug-22 divided by the average share price during that period

² South 32 FY22 dividend assumed to be US\$0.095 per share as per broker consensus

Bauxite Production

Third Party Shipments

1H22: 1.4M bdt
(1H21: 2.6M bdt)

Cash Cost of Mining

1H22: \$13.1/bdt
(1H21: \$11.2/bdt)



*The sale of AWAC share of MRN was completed in April 2022

AWAC Significant Items (\$US million)

Net Profit after Tax	\$438.9	<u>Significant items:</u>	EBITDA	\$836.1
	\$(121.0)	Change in fair value of energy Contracts		\$(121.0)
	\$(44.1)	Reversal of derecognised VAT credits in Brazil		\$(53.0)
	\$35.5	Loss on MRN Sale		\$35.5
	\$8.7	Other		\$9.2
Net Profit after Tax Excluding Significant Items	\$318.0		EBITDA Excluding Significant Items	\$706.8

Alumina Limited Significant Items (\$US million)

Net Profit after Tax	\$167.8
Significant Items:	
Change in fair value of energy Contracts	\$(48.4)
Reversal of derecognised VAT credits in Brazil	\$(17.6)
Loss on MRN Sale	\$14.2
Other	\$3.5
Net Profit after Tax Excluding Significant Items	\$119.5

Caustic Soda Prices

Caustic price sensitivity +/- \$10/t: approximately +/- \$10M EBITDA - (US\$/t)



Brent Oil Prices

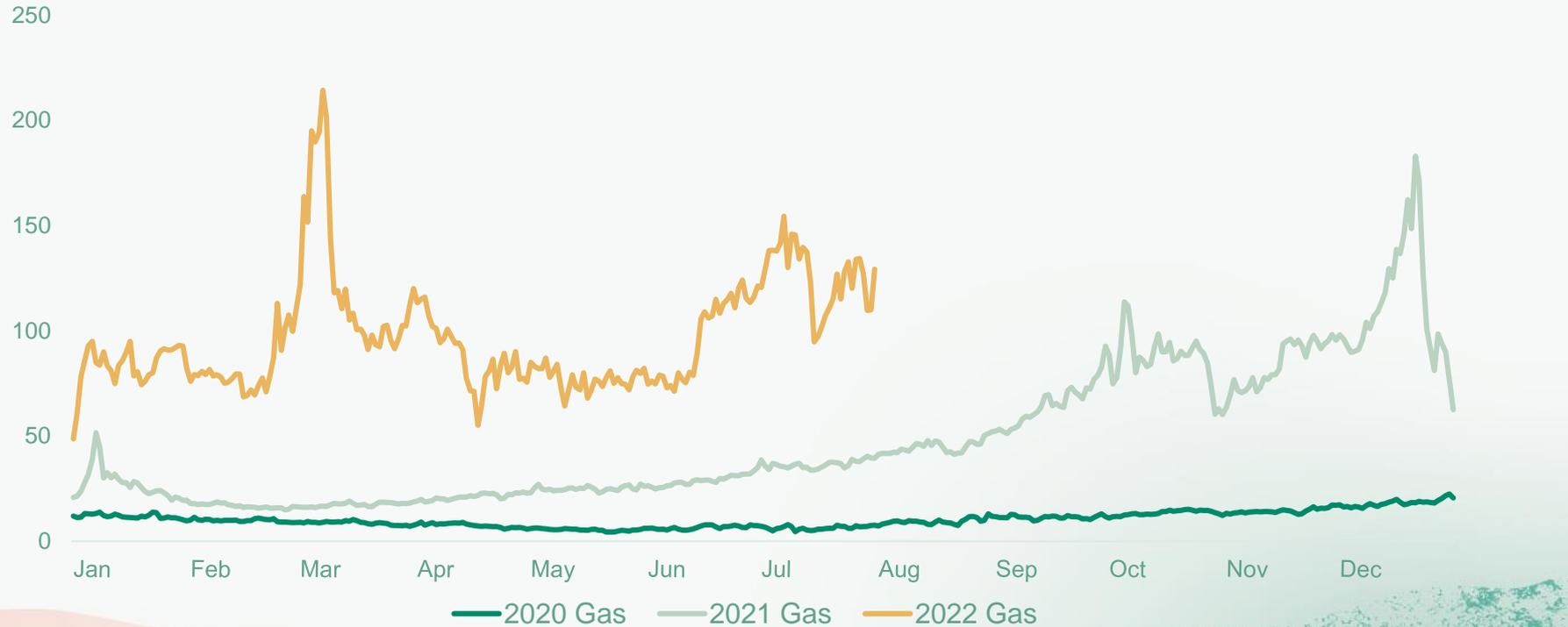
US\$/bbl



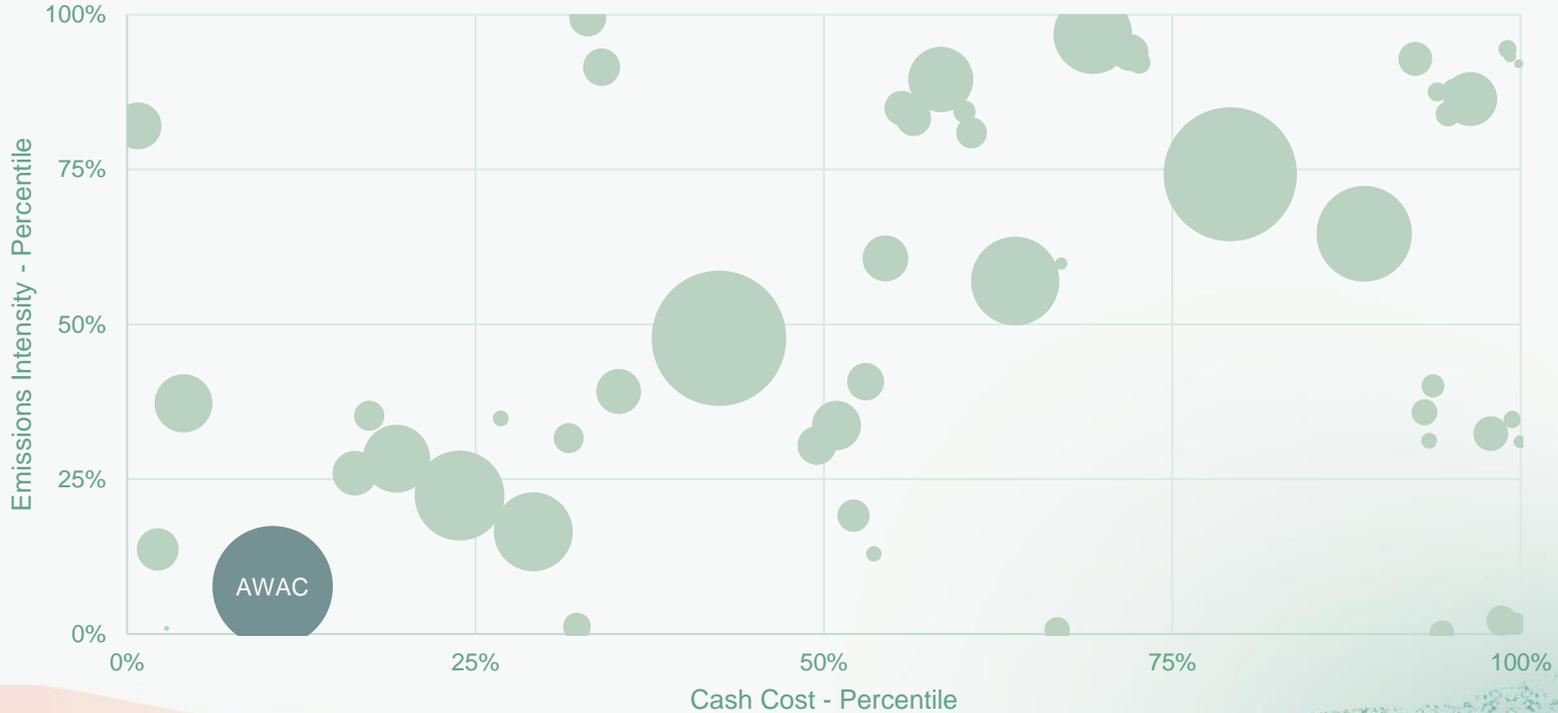
— Brent crude (spot)

European Gas Prices

MIBGAS, Eur/Mwh

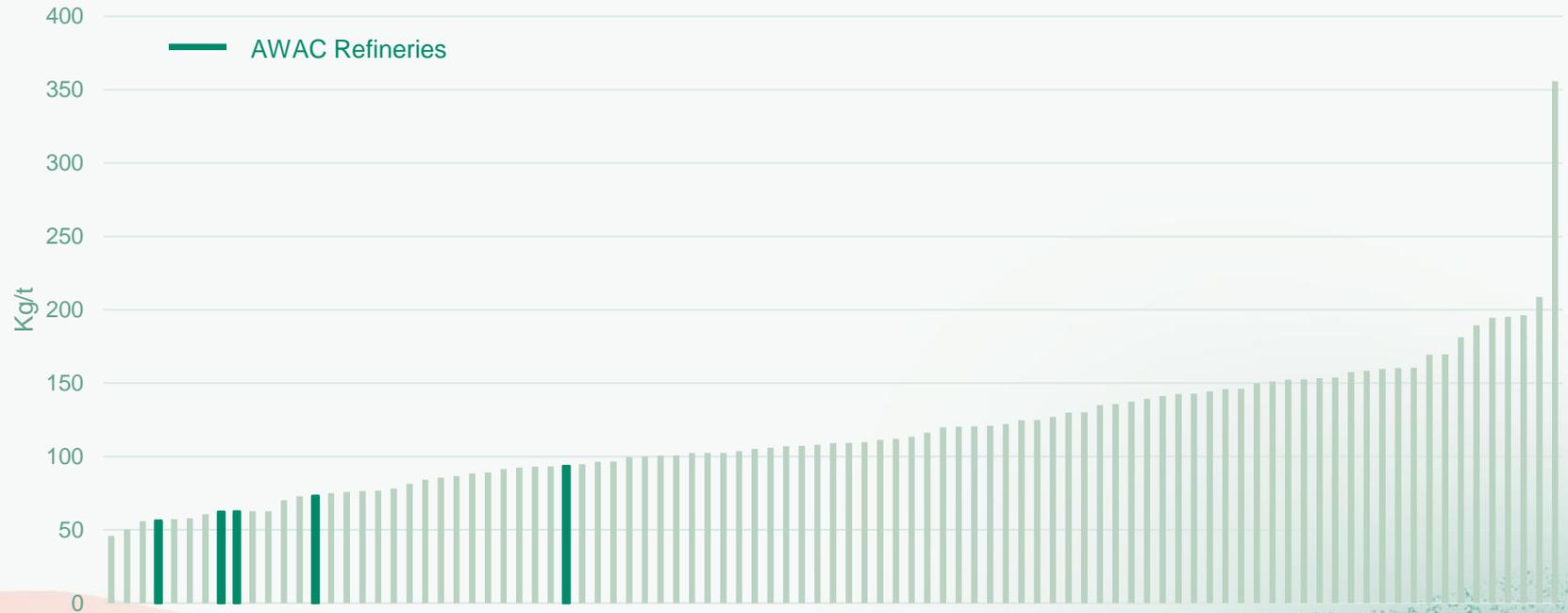


AWAC Remains a Low-Cost, Low Emission Intensity Producer, Despite Cost Challenges in the First Half



AWAC Refineries are Less Exposed to High Caustic Prices due to Lower Usage

Caustic Soda Usage by Refinery 2022



Chinese Alumina Production Increasingly Dependent on Imported Bauxite, Exposed to Higher Prices

