

Alumina Limited

2022 Full-Year Results

Mike Ferraro

Managing Director and Chief Executive Officer

ALUMINA
LIMITED



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2022 Full-Year Results



- NPAT \$109m (2021: \$226m) excluding significant items
- Strong first half. Second half impacted by lower prices and higher costs, particularly energy in Spain
- Total Dividends of 4.2 US cps. No Final Dividend
- Outlook improving. Alumina prices higher driven by supply constraints. Energy costs lower
- Strong medium and long-term fundamentals driven by decarbonisation

Sustainability

A long history of environmental stewardship

- Rehabilitation in WA
 - Commitment to sustainable, responsible and safe mining
 - Mined the Darling Range for 60 years
 - Shallow surface mining, progressive rehabilitation
 - In 11 years, 6,370 ha rehabilitated, 7,700 ha cleared
- Biodiversity management
 - Pre-mining surveys to identify and protect critical habitat
 - No mining of conservation reserves, old growth forests
 - Planted 570k native seedlings at WA mines in 2022
 - 4% of WA leased area mined – max 8% over life



Sustainability

Aluminium is critical to the low carbon transition

- Metal for the Future
 - Lightweight, corrosion resistant, conductive, infinitely recyclable
 - Promising future for aluminium
 - A driver of the low carbon transition
- AWAC is an industry leader
 - First quartile refinery emissions intensity
 - Net zero ambition
 - Environmental stewardship of 60 years



Galina Kraeva

Chief Financial Officer

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AWAC

2022 Full-Year results



2022 AWAC Full-Year Results*



Financials



Alumina

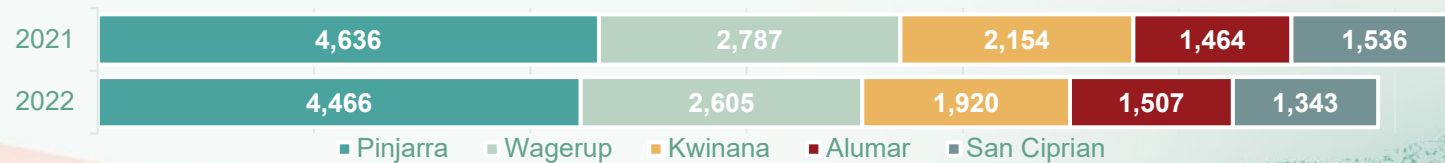
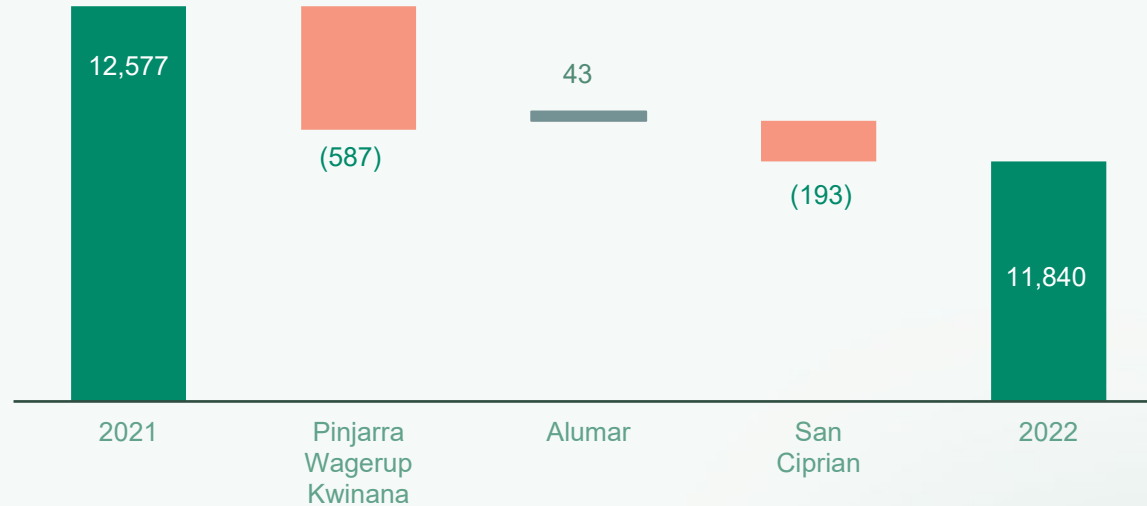


Aluminium and Bauxite

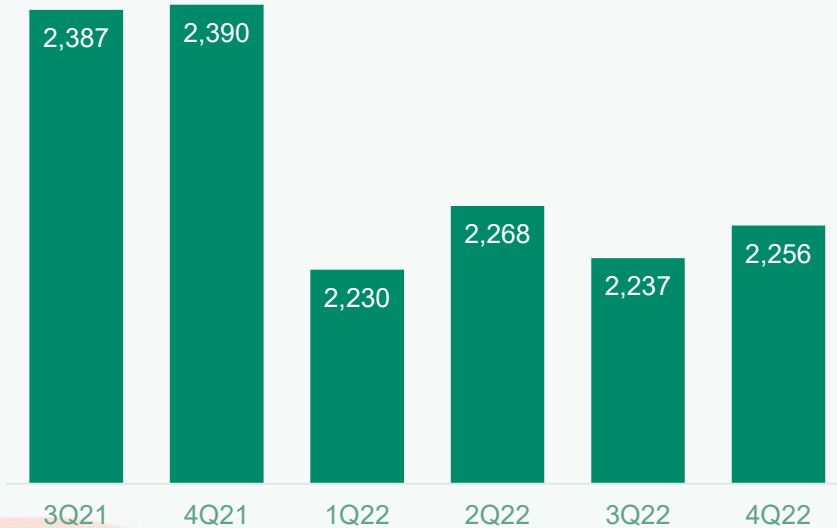


* USGAAP

AWAC Alumina Production (kt)



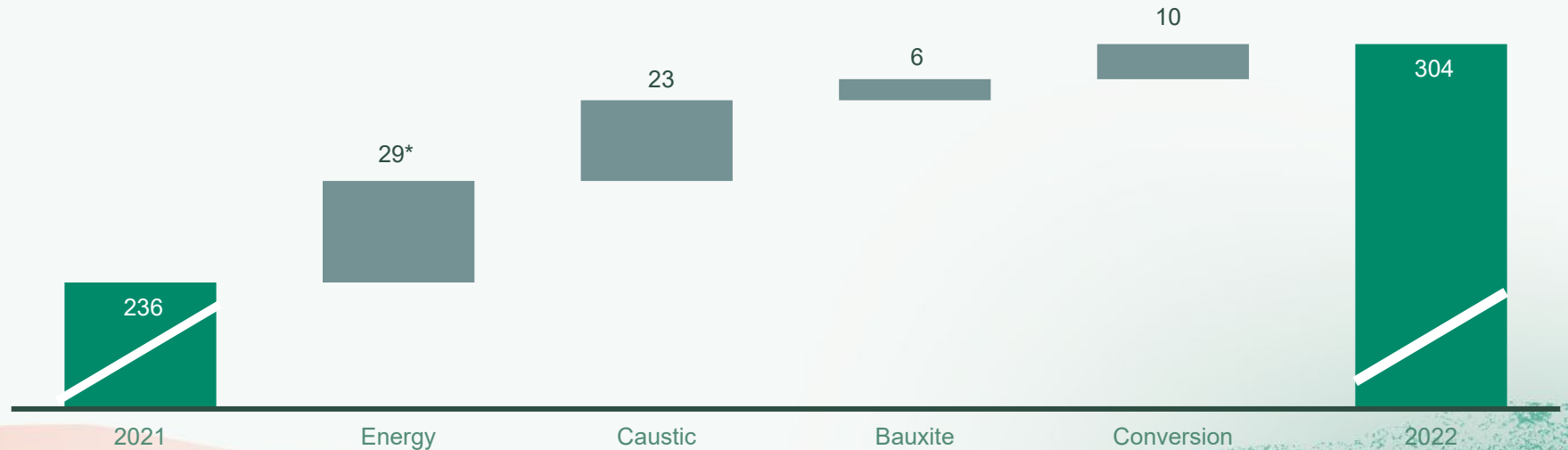
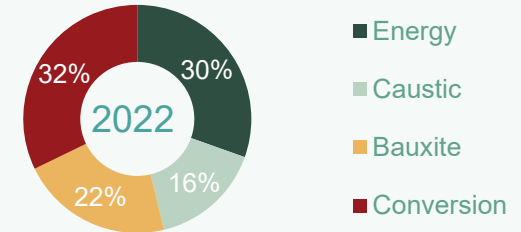
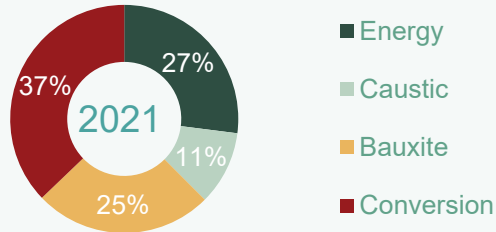
WA production (kt)



- 2022 production affected by unplanned outages and maintenance
- 2023 focus is to improve system stability and performance
- Decreased 2023 production as a result of:
 - Lower bauxite grade
 - Gas interruption
 - Planned maintenance

2022 AWAC Alumina Cash Cost (\$/t)

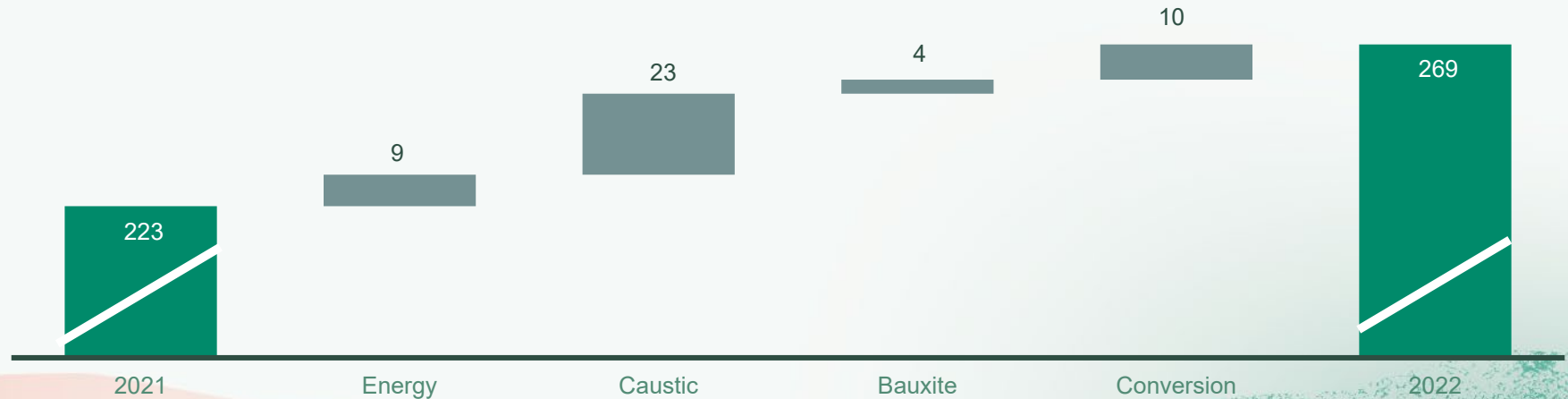
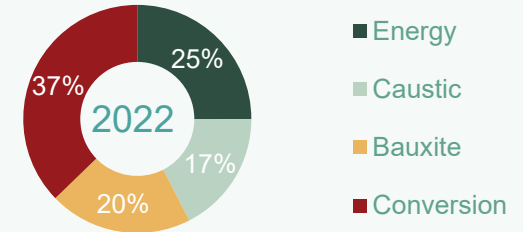
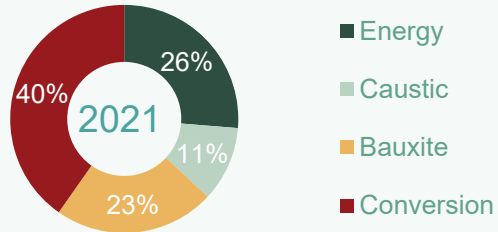
Increased \$68/t from 2021



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

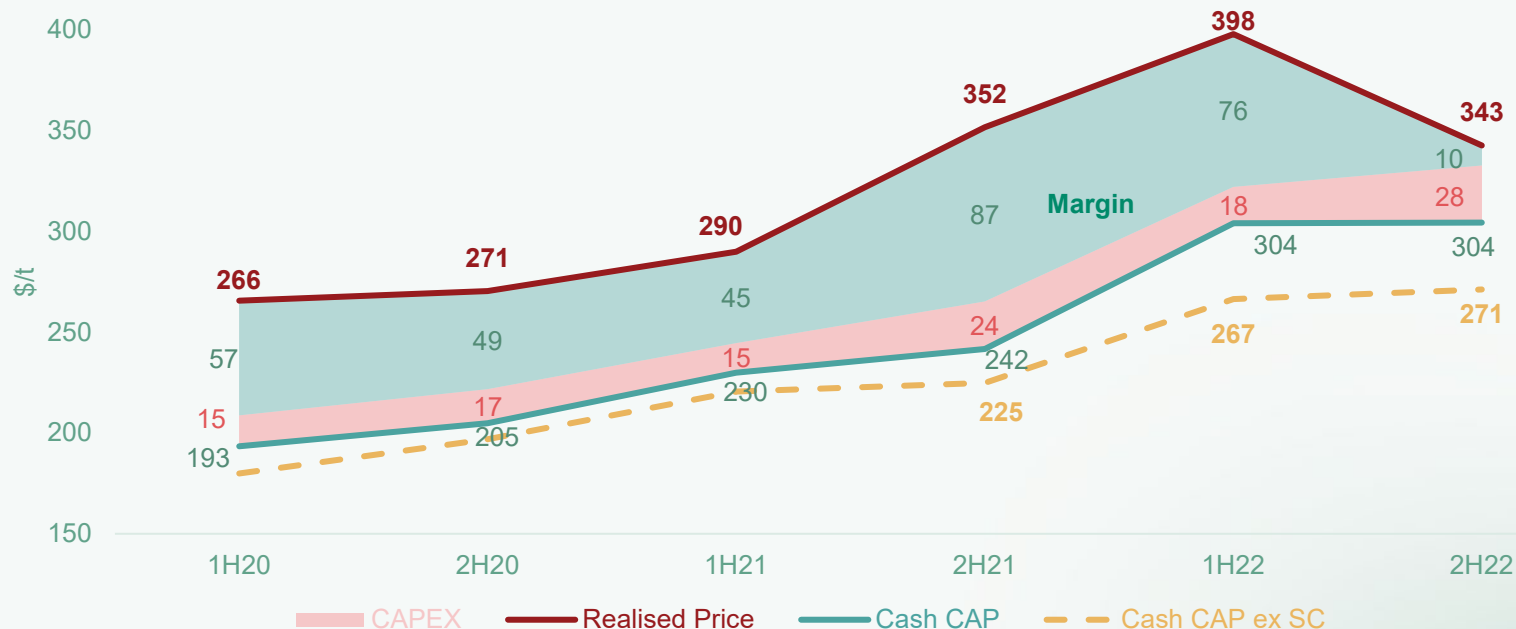
2022 AWAC Alumina Cash Cost Ex San Ciprian (\$/t)

Increased \$46/t from 2021



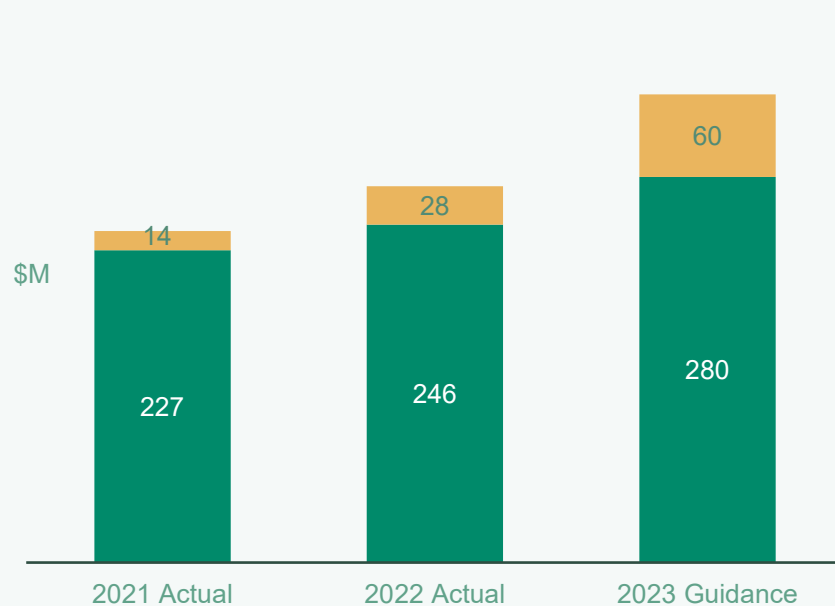
AWAC Margin

Margin after CAPEX decreased from \$76/t in 1H22 to \$10/t in 2H22



\$/t	2022
Realised Price	371
CAP	304
Margin	67
CAPEX	23
Margin after CAPEX	44

AWAC Capital Expenditure and Significant Projects



■ Sustaining ■ Growth

CAPEX 2022

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

CAPEX 2023 Forecast

- Tailings and residue storage areas – Juruti, Alumar and Pinjarra
- Debottlenecking at Alumar
- Mechanical Vapour Recompression preliminary stage

2023 Full Year AWAC Outlook



Item		2022 Actual	2023 Outlook	Change
Production (Mt)	Alumina	11.8	10.5-10.7	↓ 1.1-1.3
Production (kt)	Aluminium	159	180	↑ 21
3 rd Party Shipments– Bone Dry Tonnes (M bdt)	Bauxite	3.5	8.0	↑ 4.5
Cash Items(\$M)	Sustaining Capex	246	~280	↑ 34
	Growth Capex	28	~60	↑ 32
	Restructuring Related Items	67	~80	↑ 13
	Tax Payments related to prior year	120	~115	↓ 5

Alumina Limited

2022 Full-Year Results



Alumina Limited

2022 Full-Year results



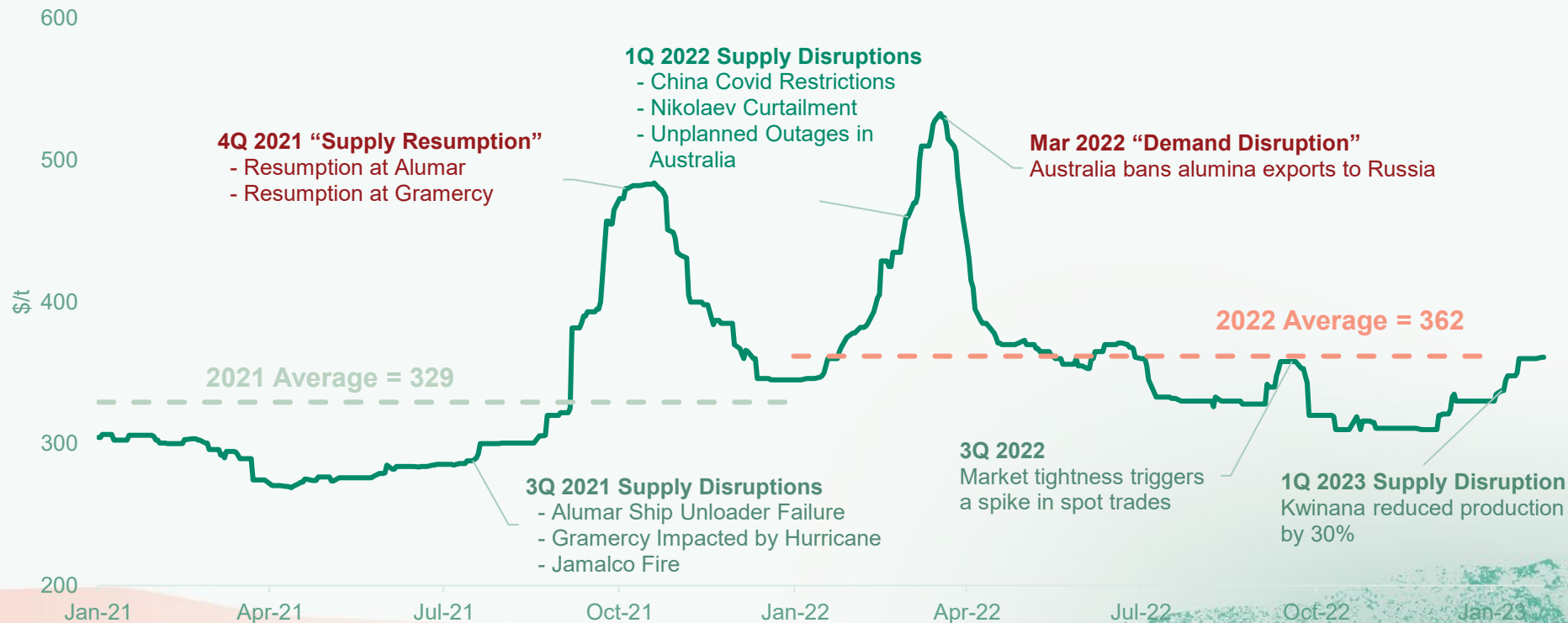
- NPAT
\$104.0M
(2021: \$188M)
- NPAT excl significant items
\$109.3M
(2021: \$226M)
- Total dividend
4.2 US cps
(2021: 6.2 US cps)
- Gearing ratio: 6.4%
(2021: 3.2%)
- Revolving credit facility
Two tranches of the \$350m facility extended for further three years

Market Review and Outlook



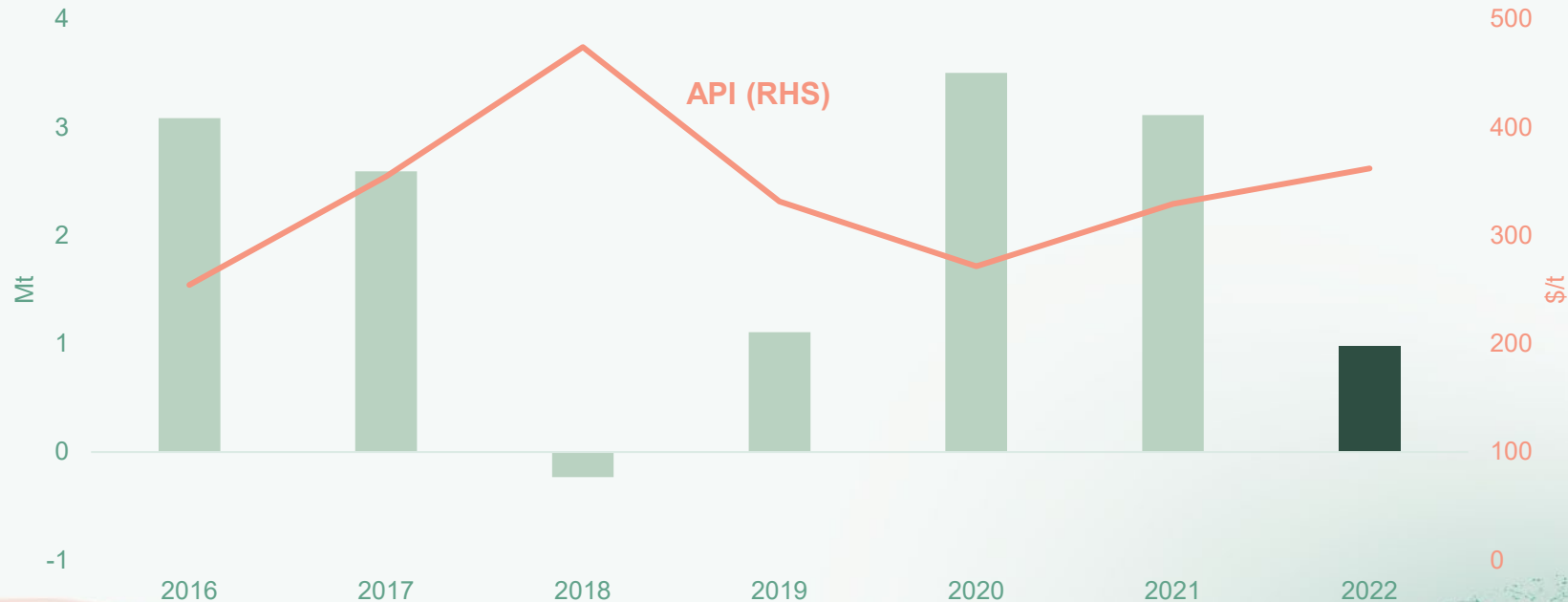
API Averaged \$362/t in 2022, up 10% year on year

Global events driving API in a balanced market



SGA Market Finely Balanced Outside China in 2022

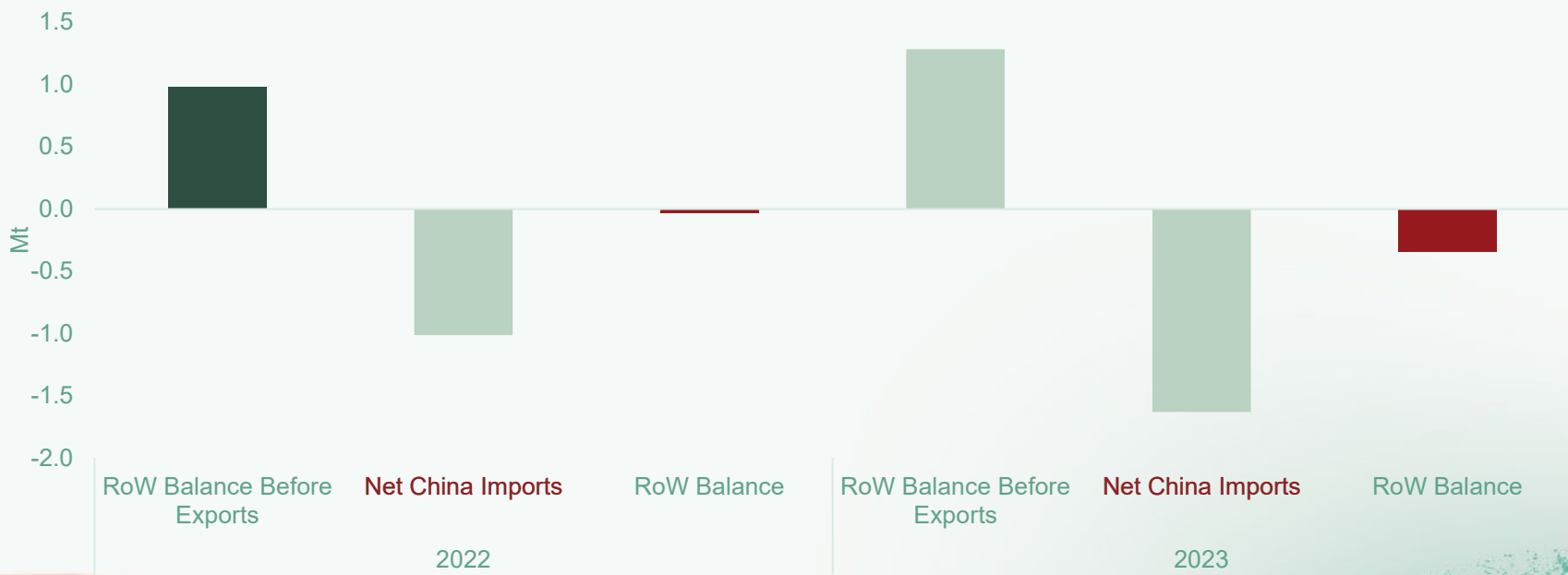
RoW excess before exports to China representing less than 1% of global supply, prices respond to changes in market balance



SGA= Smelter Grade Alumina

Market to Tighten Further in 2023

RoW market forecast to be in a notional deficit after exports to China



RoW Committed Aluminium & Alumina Projects (2023-2026)

- Considerable primary aluminium capacity expansion outside China
- Limited alumina capacity committed
- Net growth of aluminium capacity expected to be 1,960kt by 2026
- Medium term alumina shortage of ~4 million tonnes

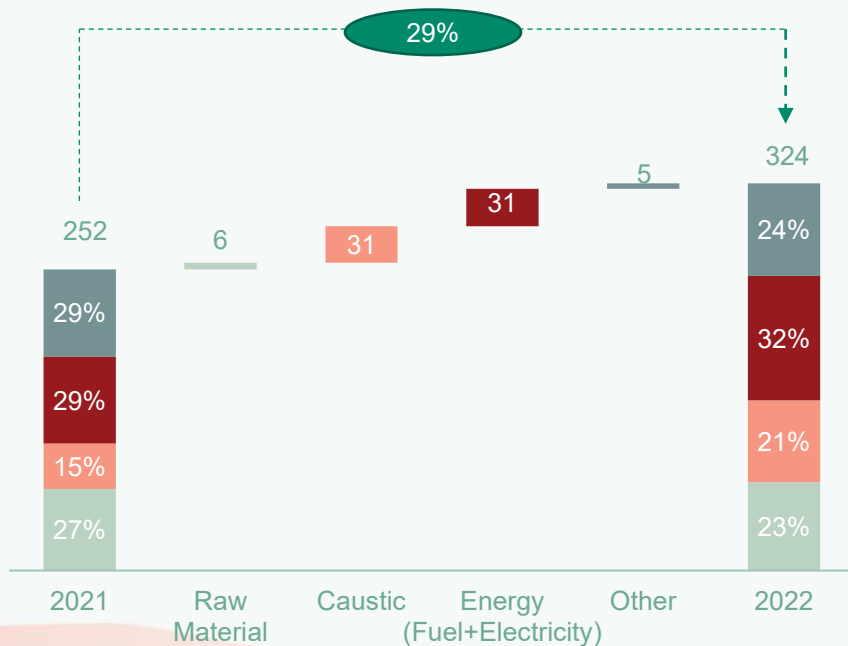


* Alumina projects have been converted from alumina units to aluminium units at a ratio of 1.92:1. For example, the indicated capacity of Lanjigarh is 1,500kt, which would produce 781kt of aluminium

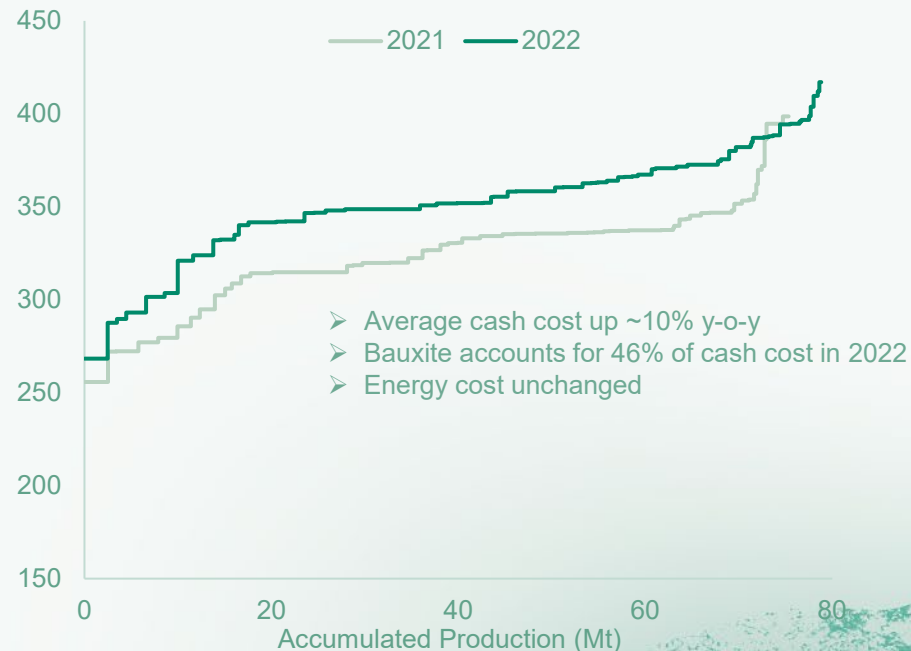
Source: Harbor, CRU, January 2023

Raw Material and Energy Prices Continue to Drive up Costs

RoW Alumina CAP (US\$/t)

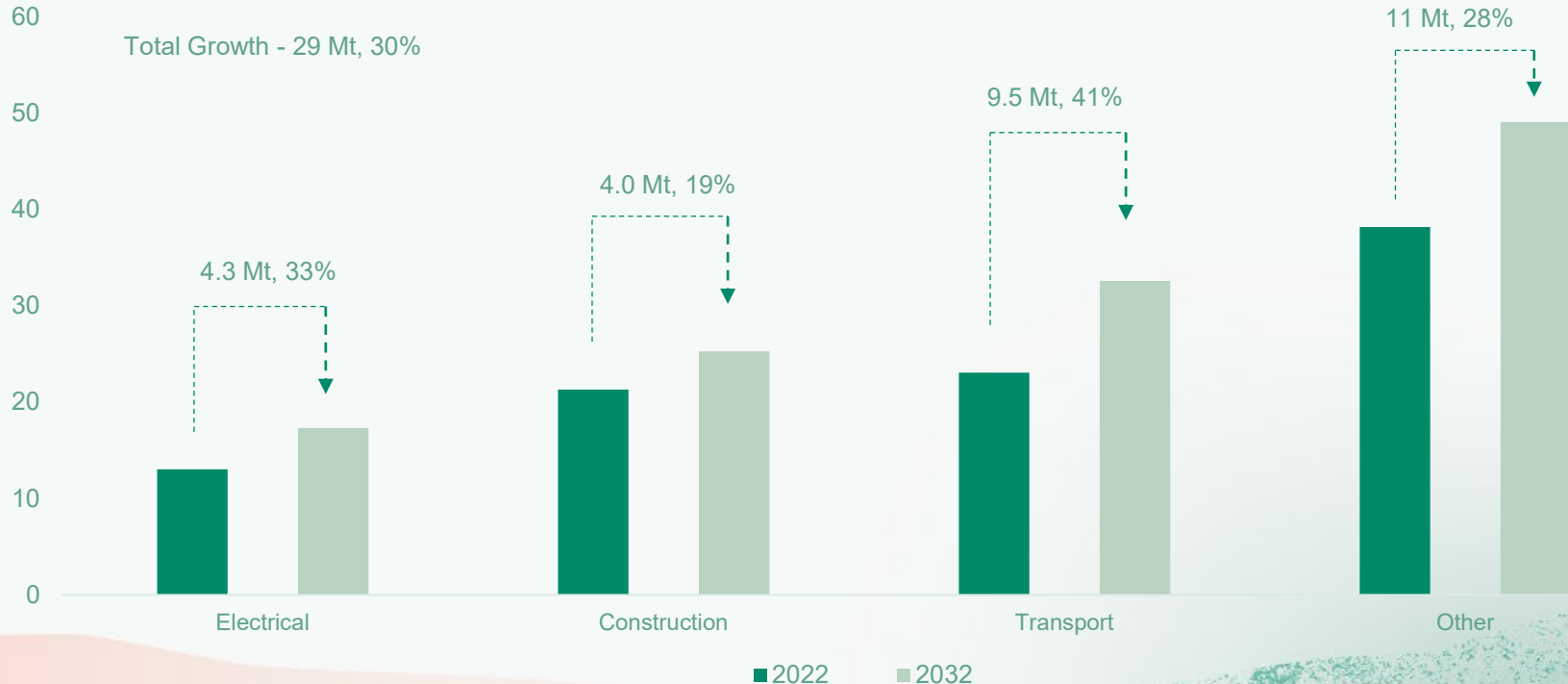


Chinese Alumina Cash Cost (US\$/t, Excl. VAT)



Decarbonisation Trends Driving Long-term Demand Growth to 2032

Global aluminium semis demand to grow by 30% in the next 10 years



Market Summary and Outlook

2022 Alumina Market

- RoW market tightened with curtailments, closures and supply disruptions
- Alumina price up 10% year on year
- Raw material and energy prices resulted in high production costs



Market Outlook

- Tighter alumina market in 2023
- End of Covid restrictions in China driving aluminium demand recovery
- Potential stronger bauxite market due to Indonesian ban
- Limited growth in alumina capacity outside China in medium term



Appendix



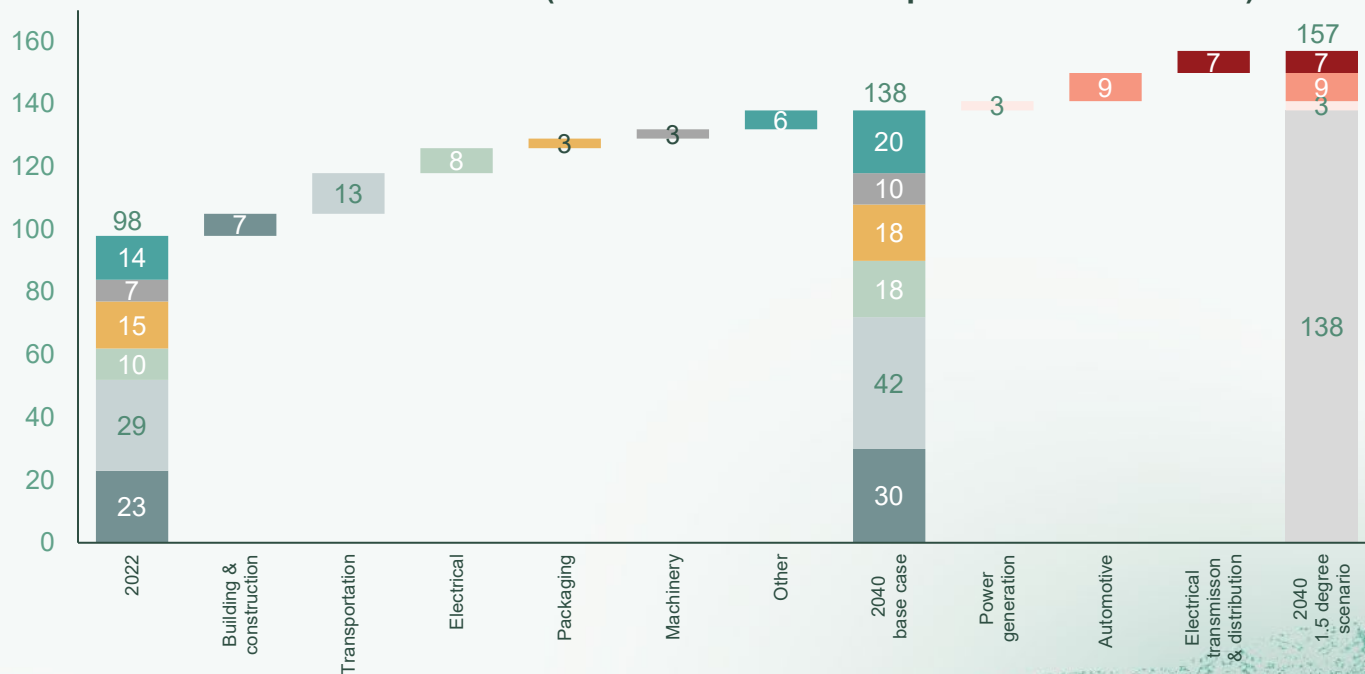
Sustainability

The low carbon transition underpins growth in aluminium & alumina

Aluminium Demand Mt (2040 base case status quo vs 1.5°C scenario*)

➤ 1.5°C scenario drives further growth:

- Transmission & electric vehicles
- Growth in primary aluminium, requiring alumina

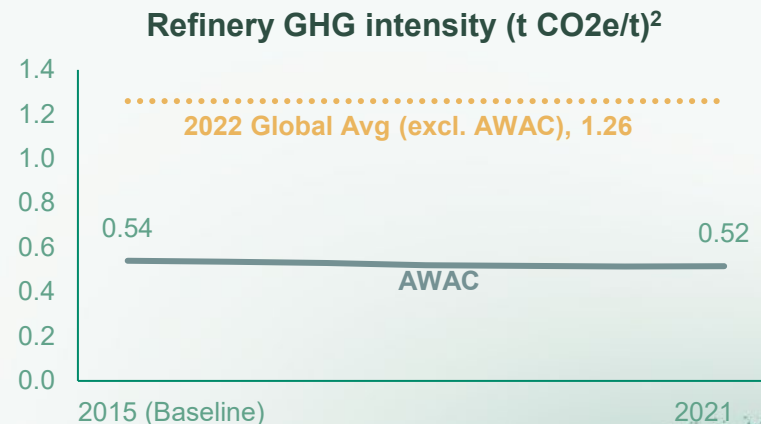
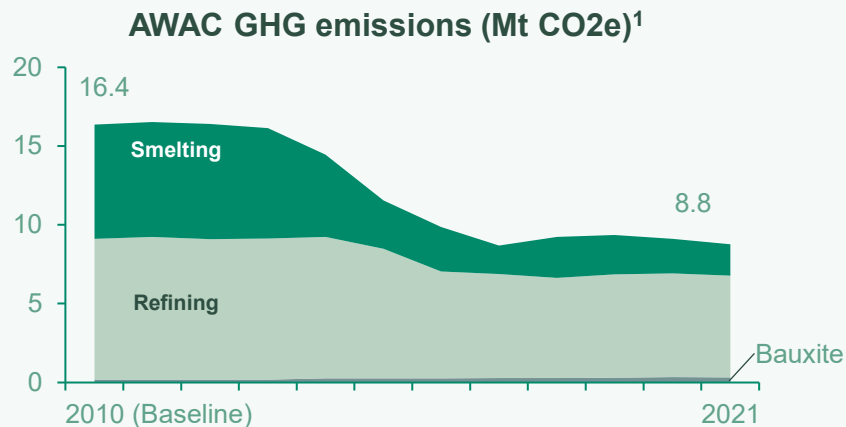


*Base case is estimated to be approximately ~2.5-2.7°C warming compared to pre-industrial levels, with muted decarbonisation. Based on research calculating aluminium intensity by end use demand. Under a base case, decarbonisation is muted. 1.5°C warming compared to pre-industrial levels. Accelerated energy transition resulting in greater demand for commodities, such as aluminium and in-turn alumina.

Sustainability

Significant historical emissions reductions and first quartile refinery emissions intensity

- AWAC has already achieved reductions
 - GHG emissions ↓44%¹ since 2010
 - Refinery GHG intensity of 0.52t of CO₂e / t (all AWAC refineries are first quartile emissions intensity)
- Investing for the future to strive for further reductions (MVR, EC)



MVR = Mechanical Vapour Recompression, EC = Electric Calcination. ¹AWAC's equity share basis (scope 1 & 2) Baseline of 15.8Mt of CO₂e, adjusted to remove the Clarendon Refinery (sold in 2014)

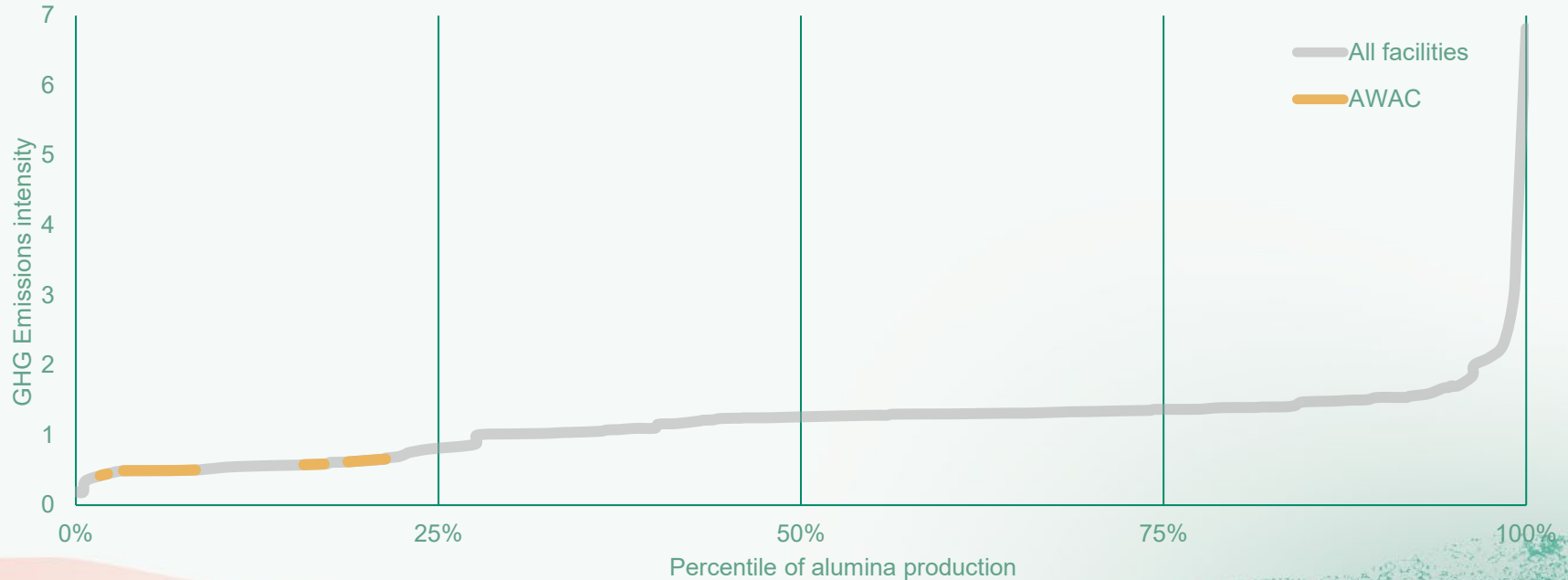
²AWAC full facility basis (scope 1 & 2)

Source: CRU, January 2023

AWAC's refinery system has an emissions advantage

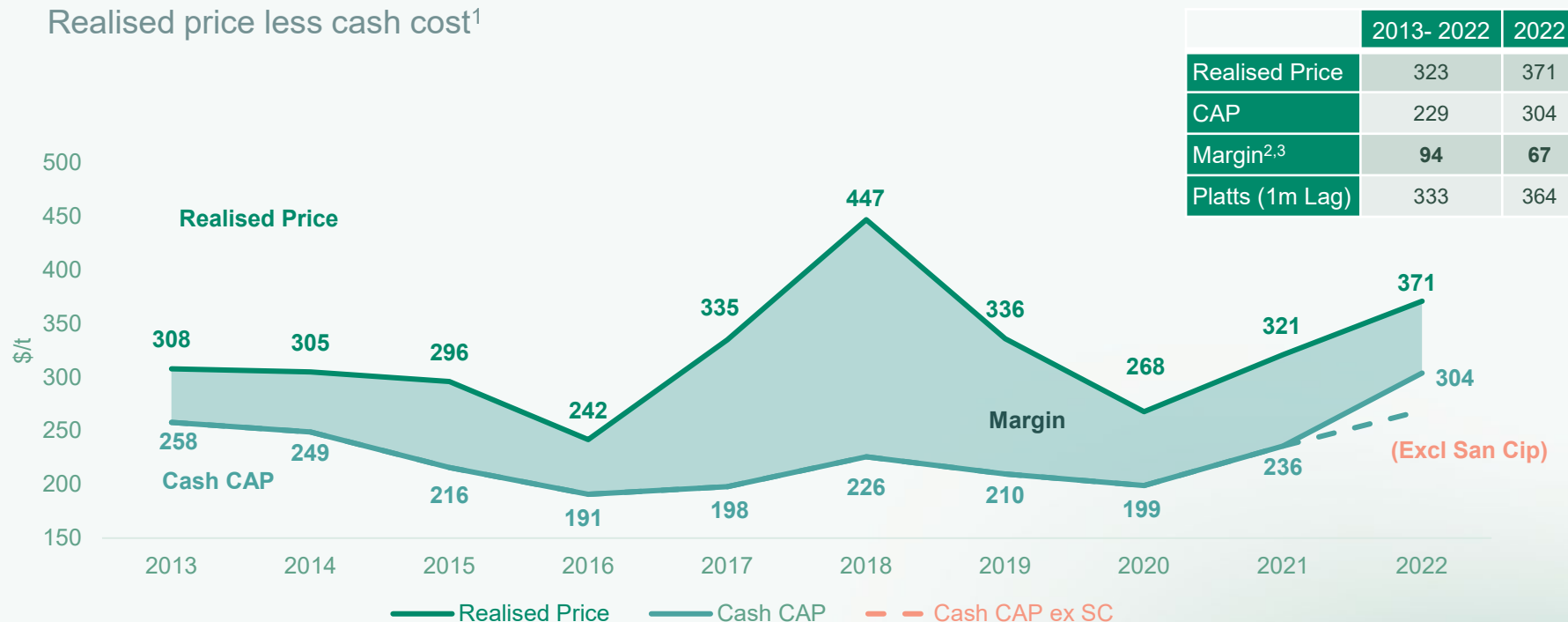
As carbon markets develop, emissions intensity will increase in importance

Global alumina refineries – emissions intensity (t of CO₂e / t of alumina)



AWAC Margin

Realised price less cash cost¹



¹2013-2022 figures in nominal dollars

²Averages as calculated for 2013-2022. Median Margin for same period was \$75/t and if highest and lowest margin were excluded average would be \$84/t

³Margin calculated as realised price minus cash cost of production

AWAC Margin – Unadjusted vs Adjusted

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2022 ⁵
Realised Price	308	305	296	242	335	447	336	268	321	371	323
CAP	258	249	216	191	198	226	210	199	236	304	229
Margin ⁴	50	56	80	51	137	221	126	69	85	67	94
Platts (1m Lag)	327	328	314	243	349	473	344	270	324	364	333

Margin over the past 10 years adjusted in real prices in 2022 ¹ dollars (US\$/t)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2022 ⁵
Realised Price ²	404	399	381	295	400	521	384	303	347	371	381
CAP ³	308	292	247	228	236	263	240	225	255	304	260
Margin ⁴	96	107	135	67	164	257	144	78	92	67	121
Platts (1m Lag)	411	405	388	296	416	551	393	305	349	364	388

¹CAP and realised price have been adjusted and indexed and all figures converted to real 2022 dollars

²Realised price for 2013-2015 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

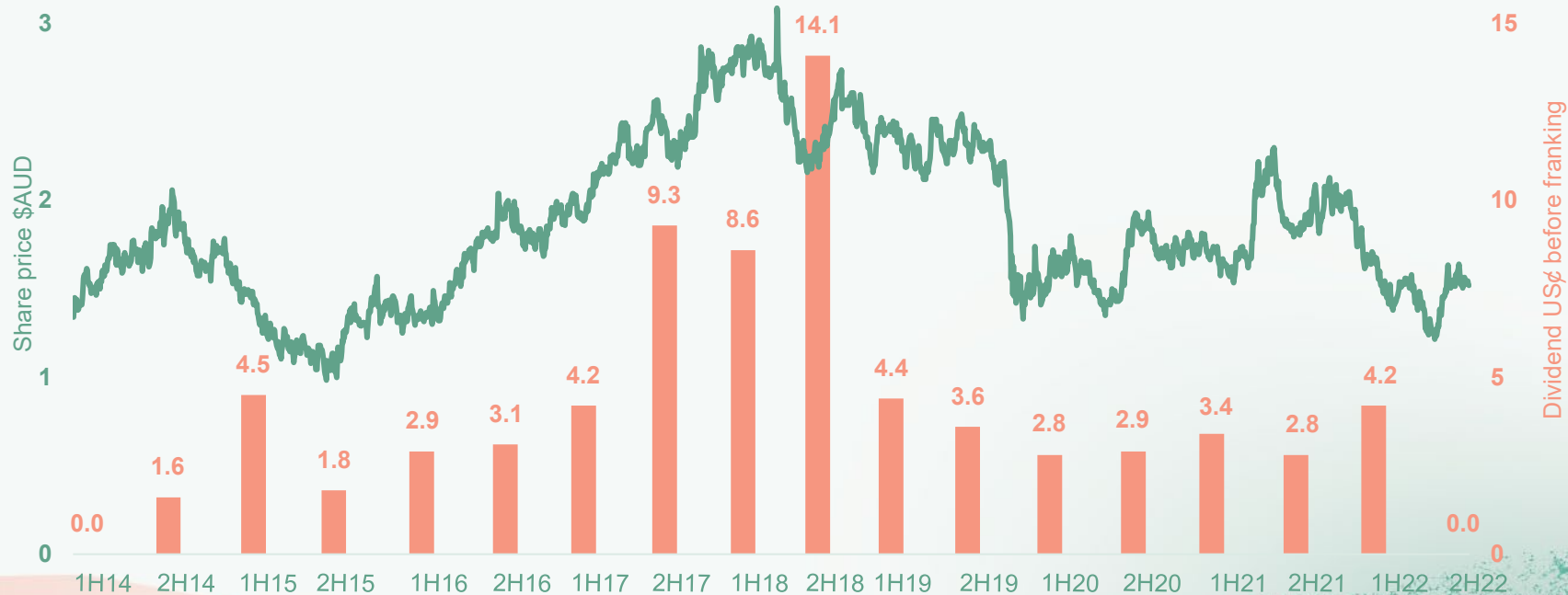
⁴Margin calculated as realised price minus cash cost of production

⁵Average as calculated for 2013-2022

AWAC Sensitivities

Item		2023 Sensitivities	
EBITDA Sensitivities	API +/- \$10/t	Approx. +/- \$95M	
	Caustic +/- \$10/dmt	Approx. +/- \$8-9M	
	AUD/USD +/- 1c	Approx. +/- \$26M	
	USD/BRL +/- 10¢	Approx. +/- \$6-7M	
	Brent Oil +/- \$1/bbl	Approx. +/- \$2M	

Alumina Ltd Share Price / Dividend History



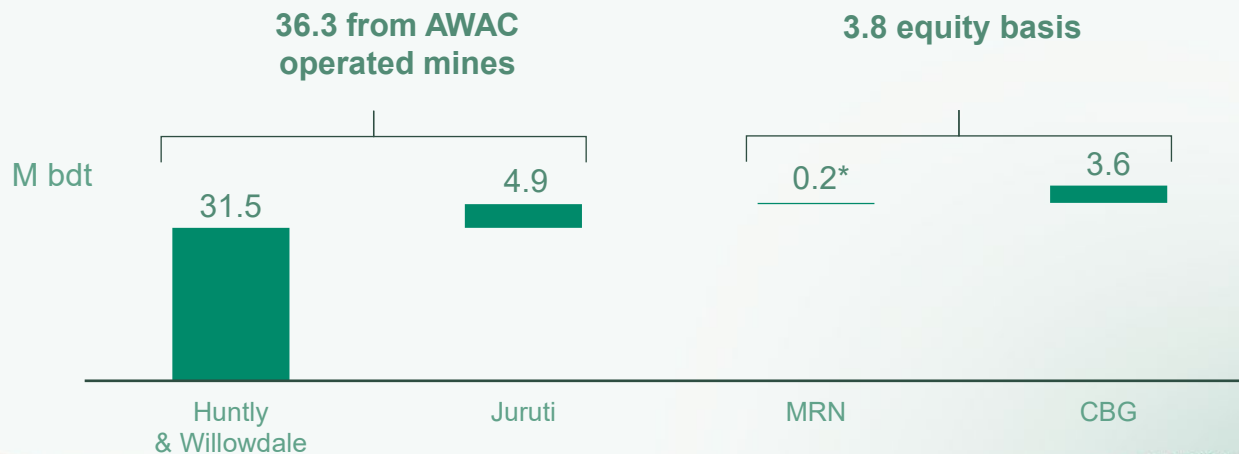
Bauxite Production

Third Party Shipments

2022: 3.5M bdt
(2021: 5.7M bdt)

Cash Cost of Mining

2022: \$12.9/bdt
(2021: \$11.4/bdt)



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

AWAC Significant Items (\$US million)

Net Profit after Tax	\$301.1	<u>Significant items:</u>	EBITDA	\$817.1
	\$(39.0)	Change in fair value of energy Contracts		\$(39.0)
	\$(39.8)	Reversal of derecognised VAT credits in Brazil		\$(60.3)
	\$40.3	Loss on MRN Sale		\$42.7
	\$18.7	Brazilian ARO refinery adjustment		\$18.7
	\$33.2	Other		\$35.4
Net Profit after Tax Excluding Significant Items	\$314.5		EBITDA Excluding Significant Items	\$814.6

Alumina Limited Significant Items (\$US million)

Net Profit after Tax	\$104.0
Significant Items:	
Change in fair value of energy Contracts	\$(15.6)
Reversal of derecognised VAT credits in Brazil	\$(15.9)
Loss on MRN Sale	\$16.1
Brazilian ARO refinery adjustment	\$7.5
Other	\$13.2
Net Profit after Tax Excluding Significant Items	\$109.3

Caustic Soda Prices

Caustic price sensitivity +/- \$10/t: approximately +/- \$8-9M EBITDA - (US\$/t)



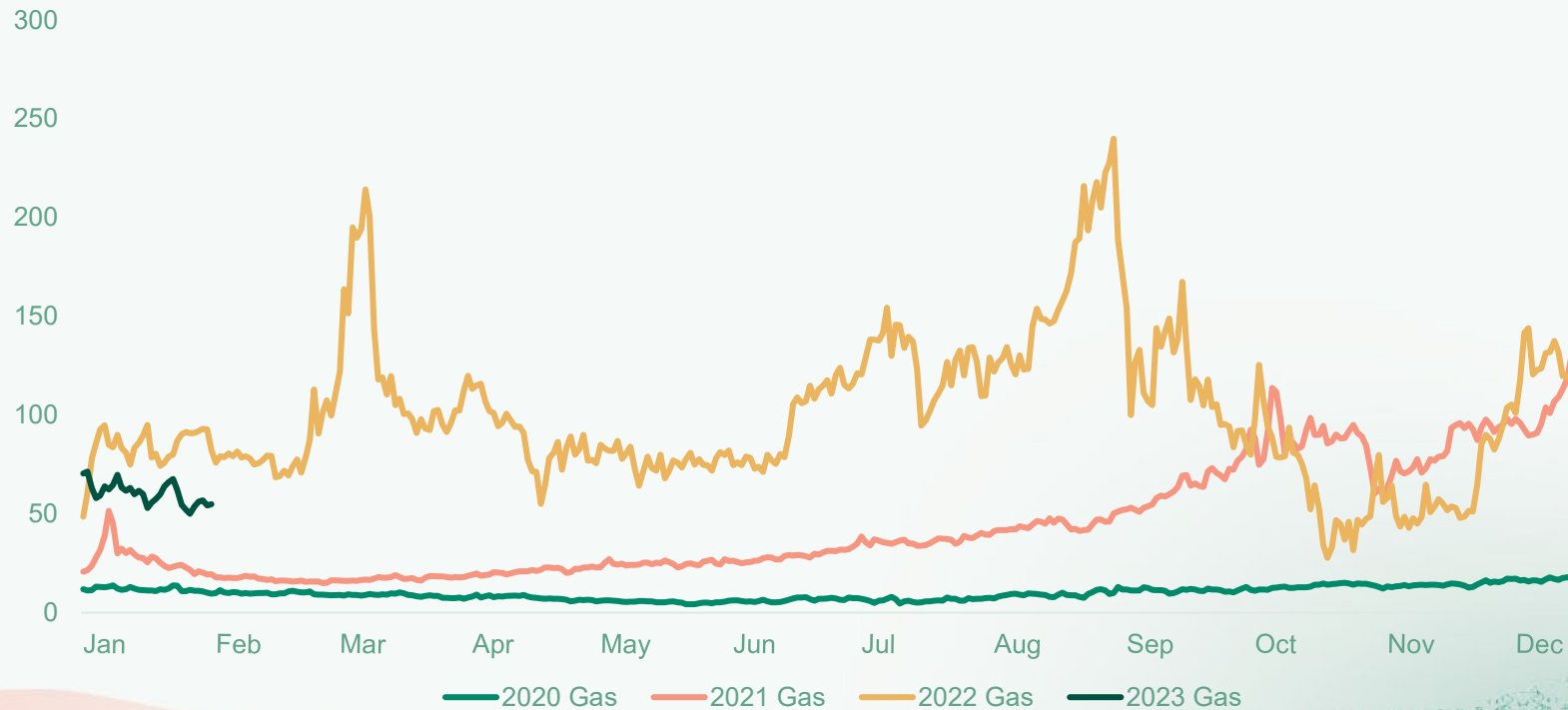
Brent Oil Prices

US\$/bbl



European Gas Prices

MIBGAS, Eur/Mwh



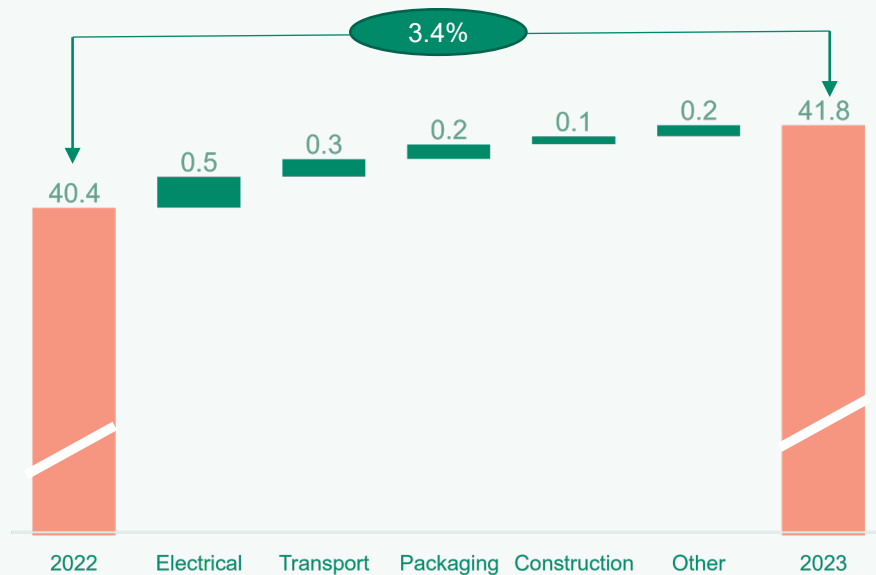
AWAC Alumina Realised Price

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



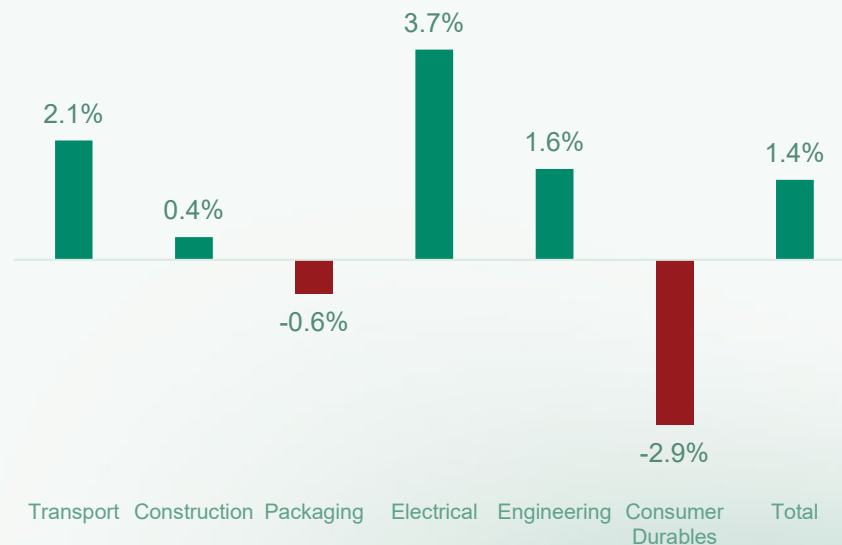
China to Drive Aluminium Demand Recovery in 2023

2023 China Primary AI Consumption Growth (Mt)



Source: Aladdiny, January 2023

2023 RoW Aluminium Consumption Growth (Mt)



Source: Harbor, January 2023