

Alcoa Corp Third Quarter 2022 Earnings Release

Alumina Limited (ASX: AWC) notes Alcoa Corp's ("Alcoa") quarterly earnings release. Information on the AWAC joint venture and Alumina Limited plus other market data is attached.

Alumina Limited's CEO, Mike Ferraro, said "Like many commodity producers globally, AWAC continued to experience further upward cost pressures in the third quarter, specifically from higher gas and caustic soda prices. Production costs were also impacted by system stability issues at our Western Australian refineries.

"In response to the high energy prices in Europe AWAC has now reduced production at the San Ciprian refinery to approximately 50% of capacity. The business continues to review commercial options, operating levels and other support options for the San Ciprian refinery. Also, plans have been put in place to improve performance of the Western Australian refineries, including an uplift in volumes and addressing maintenance and stability issues."

"At current alumina prices, industry analysts estimate that approximately 40% of the alumina producers outside China are making a loss. The ongoing cost pressures, combined with smelter restarts in the Americas and expected winter supply rationing in China, provide support for alumina prices."

"Despite the current market conditions, AWAC's portfolio remains a first quartile producer globally. We continue to believe the medium and long-term outlook for the alumina market is positive, with the anticipated growth in aluminium metal consumption driven by de-carbonisation."

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



Stephen Foster
Company Secretary

For investor enquiries:

Craig Evans
General Manager – Strategy & Investor Relations
Phone: +61 3 8699 2603 / +61 413 013 533
craig.evans@aluminalimited.com

For media enquiries:

Tim Duncan
Hinton and Associates
Phone: +61 3 9600 1979
Mobile: +61 408 441 122

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.

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.

Any forward-looking statements contained in this document are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Alumina Limited and its directors, officers, employees and agents that may cause actual results to differ materially from those expressed or implied in such statements. Those risks, uncertainties and other factors include (without limitation): (a) material adverse changes in global economic conditions, alumina or aluminium industry conditions or the markets served by AWAC; (b) changes in production or development costs, production levels or sales agreements; (c) changes in laws, regulations or policies; (d) changes in alumina or aluminium prices or currency exchange rates; (e) Alumina Limited does not hold a majority interest in AWAC and decisions made by majority vote may not be in the best interests of Alumina Limited; and (f) the other risk factors summarised in Alumina Limited's Annual Report 2021. Readers should not place undue reliance on forward-looking statements. Except as required by law, Alumina Limited disclaims any responsibility to update or revise any forward-looking statements to reflect any new information or any change in the events, conditions or circumstances on which a statement is based or to which it relates.

Alumina Limited

- Alcoa Corp's 3Q 2022 Bauxite and Alumina Segments' Highlights
- Market Data on Commodity Prices

20 October 2022

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.

No Offer, Recommendation or Advice

This Presentation is for information purposes only and is not a prospectus, product disclosure statement or other disclosure or offering document under Australian or any other law. It does not constitute an offer, invitation or recommendation to acquire Alumina securities in any jurisdiction and neither this Presentation nor anything contained in it will form the basis of any contract or commitment. The information contained in this Presentation is not financial product advice, or any other advice, and has been prepared without taking into account any reader's investment objectives, financial circumstances or particular needs.

Forward-Looking Statements

Neither Alumina nor any other person warrants or guarantees the future performance of Alumina or any return on any investment made in Alumina securities. This Presentation 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's future developments and the market outlook, are also forward-looking statements.

Any forward-looking statements contained in this document are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Alumina and its directors, officers, employees and agents that may cause actual results to differ materially from those expressed or implied in such statements. Those risks, uncertainties and other factors include (without limitation): (a) material adverse changes in global economic conditions, alumina or aluminium industry conditions or the markets served by AWAC; (b) changes in production or development costs, production levels or sales agreements; (c) changes in laws, regulations or policies; (d) changes in alumina or aluminium prices or currency exchange rates; (e) Alumina Limited does not hold a majority interest in AWAC and decisions made by majority vote may not be in the best interests of Alumina Limited; and (f) the other risk factors summarised in Alumina's Annual Report 2021. Readers should not place undue reliance on forward-looking statements. Except as required by law, Alumina disclaims any responsibility to update or revise any forward-looking statements to reflect any new information or any change in the events, conditions or circumstances on which a statement is based or to which it relates.

Key Risks

Certain key risks that may affect Alumina, its financial and operating performance and the accuracy of any forward-looking statements contained in this Presentation include (without limitation): (a) material adverse changes in global economic conditions, alumina or aluminium industry conditions or the markets served by AWAC; (b) changes in production or development costs, production levels or sales agreements; (c) changes in laws, regulations or policies; (d) changes in alumina or aluminium prices or currency exchange rates; (e) Alumina Limited does not hold a majority interest in AWAC and decisions made by majority vote may not be in the best interests of Alumina Limited; and (f) the other risk factors summarised in Alumina's Annual Report 2021.

Past Performance

Past performance information contained in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

No Liability

The information contained in this Presentation has been prepared in good faith and with due care but no representation or warranty, express or implied, is provided as to the currency, accuracy, reliability or completeness of that information.

To the maximum extent permitted by law, Alumina and its directors, officers, employees and agents, and any other person involved in the preparation of this Presentation, exclude and disclaim all liability for any expenses, losses or costs incurred by any person arising out of or in connection with the information contained in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

Highlights

Alcoa Segments	3Q 2022	2Q 2022	Selected Highlights
Adjusted EBITDA Total:			
– Alcoa Alumina Segment	\$69m	\$343m	<ul style="list-style-type: none"> Alumina: Lower API and higher gas and caustic soda prices, partly offset by impact of the San Ciprian curtailment Bauxite: Favorable foreign exchange impacts Alcoa EBITDA margins include intersegment transfer price
– Alcoa Bauxite Segment	\$15m	\$5m	
Adjusted EBITDA Margin:			
– Alcoa Alumina Segment	5.5%	21.9%	
– Alcoa Bauxite Segment	6.3%	2.5%	

AWAC	3Q 2022	2Q 2022	Comments
Production:			<ul style="list-style-type: none"> Refining / Mining: Includes CBG and excludes Ma'aden. Refer to slide 9 (including footnotes) for further details System Cash Cost includes bauxite at cost: Input costs and maintenance costs remain elevated combined with higher bauxite cost due to lower production, offset partly by lower AUD/USD Western Australian operations have experienced lower production and higher costs this year due to ongoing maintenance issues and lower bauxite quality, as well as higher caustic soda prices San Ciprian Cash Cost higher due to higher gas price and lower production volume Realised Price: One month lagged API 18% lower than previous period
– AWAC Refining Business (Million t)	2.9	3.0	
– AWAC Mining Business (Million bone dry tonnes – “bdt”)	9.9	9.8	
Alumina Cost and Price:			
– System Cash Cost (\$/t production)	\$319	\$321	
– San Ciprian Cash Cost (\$/t production)	\$664	\$598	
– System Cash Cost (Excl San Ciprian) (\$/t production)	\$278	\$277	
– Realised Price (\$/t shipments)	\$351	\$420	
– One month lagged API (\$/t)	\$344	\$418	

Alumina Limited	3Q 2022	2Q 2022	Comments
AWAC Net Distributions:			<ul style="list-style-type: none"> Net receipts from AWAC of \$8.3 million in 3Q 2022 Higher net debt following payment of interim dividend in September 2022
– Alumina Limited Receipts	\$73.5m	\$83.5m	
– Alumina Limited Contributions	(\$65.2m)	(\$37.0m)	
Net Debt / (Cash) – Period End:	\$97.4m	(\$19.3m)	

AWAC 2022 Distribution Calendar (US\$m)

Related to Alumina Limited Interim and Final Dividend 2022

2022: No later than	Relevant AWAC Entities	Description	Distributions from AWAC ^[1]	Contributions to AWAC ^[1]	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		2022 Interim Dividend
20 February	All except AWA LLC	Available Cash of each entity as at 31 January	103.8		2022 Interim Dividend
31 March	All	First Quarter Working Capital Contributions		(46.1)	2022 Interim Dividend
20 April	All	50% of each entity's US GAAP Net Income (if positive) for 1Q	41.7		2022 Interim Dividend
20 May	All except AWA LLC	Available Cash of each entity as at 30 April	41.8		2022 Interim Dividend
30 June	All	Second Quarter Working Capital Contributions		(37.0)	2022 Interim Dividend
20 July	All	50% of each entity's US GAAP Net Income (if positive) for 2Q	57.2		2022 Final Dividend
20 August	All except AWA LLC	Available Cash of each entity as at 31 July	16.2		2022 Final Dividend
30 September	All	Third Quarter Working Capital Contributions		(65.2)	2022 Final Dividend
20 October	All	50% of each entity's US GAAP Net Income (if positive) for 3Q	11.6		2022 Final Dividend
20 November	All except AWA LLC	Available Cash of each entity as at 31 October	TBA		2022 Final Dividend
31 December	All	Fourth Quarter Working Capital Contributions (to date)		(25.2)	2022 Final Dividend

[1] Alumina Limited 40% share

Spot Alumina Prices & Implied LME Linkage



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

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

European Spot Gas Prices

MIBGAS (EUR/MWh)

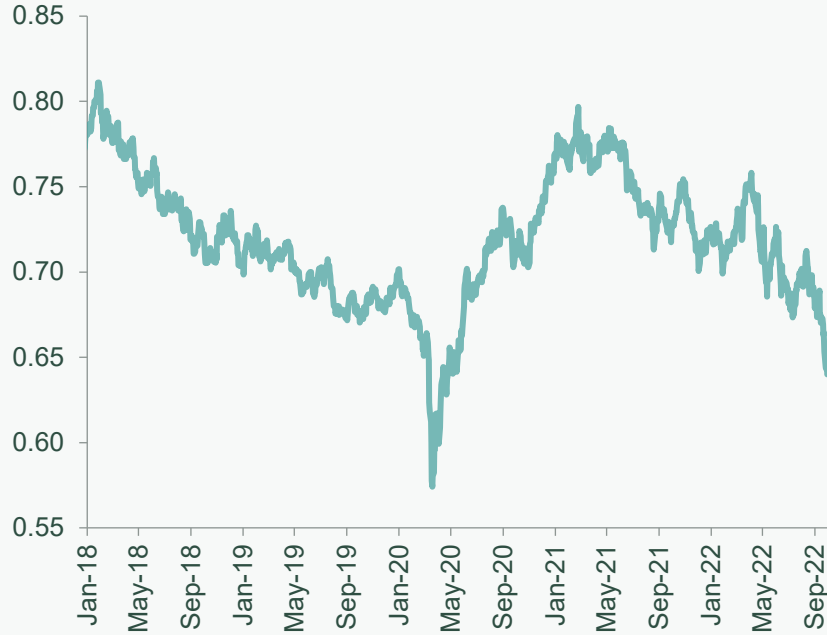


Sources: Bloomberg, October 2022.

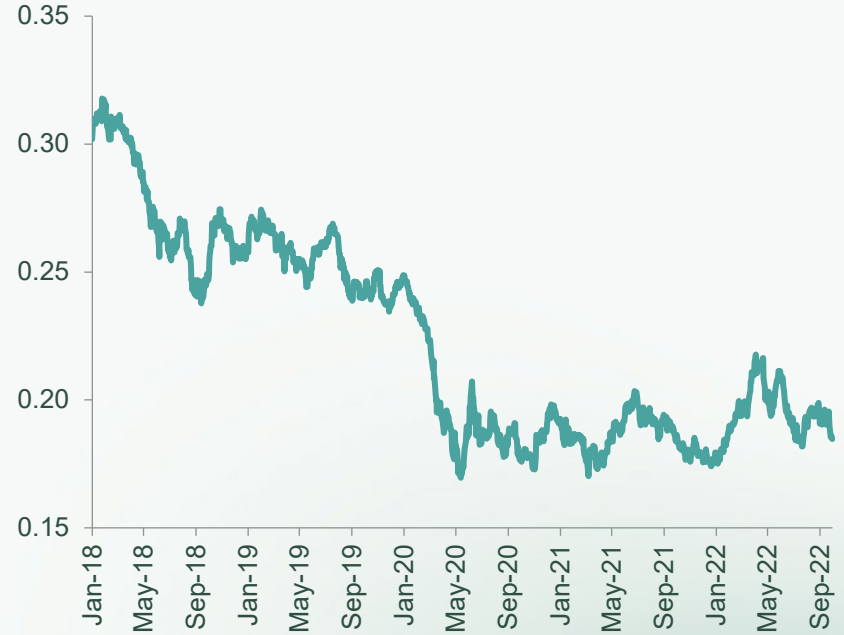
Commodity prices in this slide pack are based on published market prices and may not equate to actual pricing under AWAC contracts

Foreign Exchange

AUD/USD



BRL/USD



Source: Thomson Reuters, October 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 (US\$/t)



Source: S & P Global Platts, October 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 3Q 2022 ⁵	Equity Share of Production 2Q 2022 ⁵
	Revenue	COGS	Other Income / Expense		
CBG Bauxite Mine	✓ ¹	✓ ¹		833k bdt ³	948k bdt ³
Ma'aden Al Ba'itha Bauxite Mine			✓ ²	278k bdt ⁴	325k bdt ⁴
Ma'aden Ras Al Khair Refinery			✓ ²	116k t ⁴	111k t ⁴

¹ 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's profit or loss is recorded in COGS

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

³ Based on the terms of its bauxite supply contracts, AWAC's bauxite purchases from CBG, differ from its equity share of production in those mines

⁴ 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.

⁵ AWAC's interest in the MRN mine was sold during 1Q 2022.