

Aluminium Bahrain – Alba (ALBH)

Alba Expanding in Certainty Amidst Uncertainty

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Equities | BSE | Metal & Mining Sector

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The Story

Resilience Through Diversified Dominance If Regional War Calm

Aluminium Bahrain – alba (ALBH) is positioned for a transformative 2026, characterized by aggressive production growth and geographical diversification, elevating annual capacity beyond 2mn MT/year with a 100% acquisition of an aluminum producer in France to hedge against the regional war. This expansion is underpinned by a 10-year alumina security agreement and maintaining high margins by passing tariff-driven costs to consumers, supporting our average fair value of BHD1.49/share (+51%).

The Background: Despite Iran regional conflict, 2026 started as a strong year for aluminum sector, with prices surpassed USD 3,400/MT. The following points highlight potential catalysts for ALBH if the situation stabilizes and supply chains normalize:

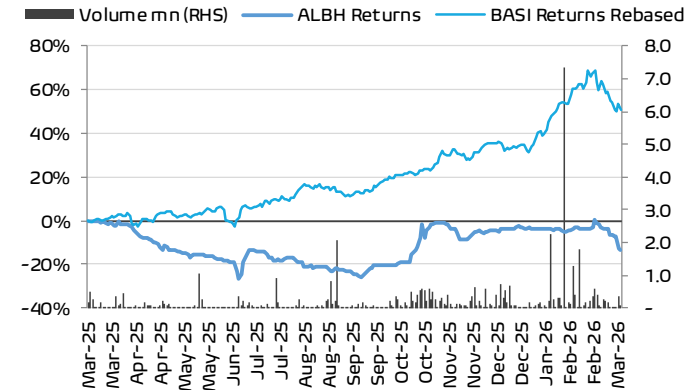
- **Expandable Production Capacity:** The Line 7 Expansion Project will elevate the total production capacity to more than 2mn MT/year. With engineering support from **Bechtel**, the expansion targets an additional 540,000 MT/year, launching by early FY27. This organic growth strategy allows the ALBH to leverage its existing infrastructure to maximize operational scale.
- **Expansive Geographical Acquisition:** ALBH's agreement to acquire 100% of **Aluminium Dunkerque** marks a strategic shift, transforming ALBH into an international multi-site producer, providing a definitive footprint inside the **EU**, hedging against the regional war, and meeting the **CBAM standards**, expected to close by FY26.
- **Secured Raw Materials for The Next 10 Years:** A 10-year renewal of the alumina supply agreement

with Alcoa secures raw material starting in 2026, de-risking the production supply chain for the next decade and reinforcing the resilience against raw material prices volatilities.

- **Navigate Trade Volatility due to Trump's Tariffs:** ALBH leveraged US aluminum tariffs to drive profit growth through elevated price premiums. Rather than being hampered by protectionist policies, ALBH successfully passed increased costs to end consumers, capturing higher margins that have fortified its capital position for global expansion. This ability to navigate trade volatility underscores Alba's strategic pricing power and its readiness to capitalize on shifting international trade dynamics throughout FY26.
- **GCC Alignment Provides Institutional Stability:** In FY25, Ma'aden completed the acquisition of a 20.62% stake in Alba for BHD363.1mn (USD966 mn). This transaction replaces SABIC with a strategic partner dedicated to building a unified regional mining and metals ecosystem, marking a pivotal integration of GCC industrial leaders.

Stock Performance & Details

ALBH (BHD) vs. BASI Rebased



Stock Details	
Price (BHD)	1.0
52-W H (BHD)	1.1
52-W L (BHD)	0.8
3M-Avg. Vol.	0.37mn
% Chg: MoM	-10.4%
% Chg: YoY	-13.2%
% Chg: YTD	-10.4%
MTR Ticker	ALBH.EGX
BBG Ticker	ALBH EY
Capital Details	
No. of Shares	1,420mn
Mkt Cap (BHD)	1,406mn
Mkt. Cap (USD)	3,699mn
Free Float (%)	10.0%

Key Performance Indicators & Multiples

FY End: Dec. (BHD mn)	FY24a	FY25a	FY26f	FY27f	FY28f
Revenue	1,621.7	1,778.8	2,128.2	2,435.3	2,829.4
Gross Profit	448.5	485.7	675.5	716.9	765.4
Net Income	184.5	218.7	366.4	377.7	389.4
Revenue Growth (%)	5.0%	9.7%	19.6%	14.4%	16.2%
Gross Profit Growth (%)	16.4%	8.3%	39.1%	6.1%	6.8%
Net income Growth (%)	56.4%	18.5%	67.5%	3.1%	3.1%
GP Margin (%)	27.7%	27.3%	31.7%	29.4%	27.1%
Net Margin (%)	11.4%	12.3%	17.2%	15.5%	13.8%
P/E (x)	9.7x	7.1x	5.8x	5.6x	5.4x
P/BV (x)	0.9x	0.7x	0.8x	0.8x	0.7x
EV/EBIT (x)	10.3x	7.1x	5.0x	4.3x	4.0x
Dividend yield (%)	3.6%	5.9%	6.4%	6.6%	6.8%

Source: Financial Statements, Investing.com, IR official website.

The Business Model

Significant Milestone for The Region's Industrial Giant

Business Brief: Aluminium Bahrain - Alba (ALBH) is the world's largest single-site aluminium smelter outside of China and the first in the middle east, operating a massive industrial complex in Bahrain. As a central pillar of Bahrain's economic diversification strategy, contributing to the national non-oil GDP and serves as the anchor for a thriving domestic downstream aluminium cluster.

Business Products: Key products includes; Billets, Slabs, Foundry Alloys, Liquid Metal, Standard Ingots, T-ingots, and LME Sows. As well as other products, like Calcined Coke, Anode, Power, and Water.

Business Ownership: ALBH is owned by **Mumtalakat Holding Company** by 69.38%, **Ma'aden** by 20.62%, and free float by 10%.

Key Facts about The Business Model:

- **Vertical Integration & Independence** through operating three independent natural gas power stations with a total capacity of 4,200 MW, providing full energy self-sufficiency.
- **Global Aluminum Smelter** with a global presence contribute to the aluminum industry's growth, driven by a production of more than 1.62mn metric tons per annum (MTPA) of aluminum, with an additional capacity of 540k MTPA in 2027.
- **Huge Industrial Complex** comprises six reduction lines, three power stations, four greenhouses, four carbon plants, and other ancillary facilities.

Business Factsheet

1st

Primary
Aluminum
Smelter in MENA

1.62mn

Produced Volume

1.61mn

Sold Volume

74%

Value Added
Sales Share

44mn Hr

Safety Milestone

Business Journey of ABLH



Aluminium
for the world

2018

Launching
Production Line 6

2005

Launching
Production Line 5

1981

Launching
Production Line 3

1992

Launching
Production Line 4

1971

Launching
Production Line 2

1971

Launching
Production Line 1

The Business Model (Cont'd)

+50 Years of Excellence



1968

Incorporation
by an Amiri Decree
on Friday 09 August 1968



1980

Reaching 1,000,000 MT
of aluminum produced
in less than a decade



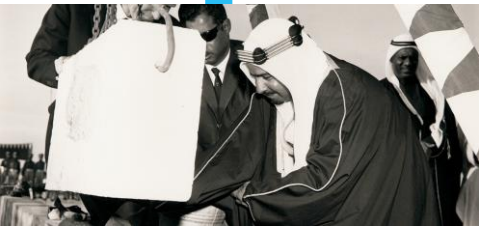
2000

Millennium Business Award
for Environmental Achievement
from ICC and UNEP



2023

All-time production record
reached 1,620,665 MT per year
with commitments to ESG



1969

Foundation stone by
H.H. the late Amir Shaikh
Isa bin Salman Al Khalifa



1971

Starting production of 120k MT
to be the first aluminum smelter
in the Middle East



2010

Initial Public Offering (IPO)
on Bahrain Bourse (BSE) and
London Stock Exchange (LSE)



2022

Breakthrough record in safety
by achieving 30 million hours
without lost time injury (LTI)

The Business Model *(Cont'd)*

High Quality Product Portfolio

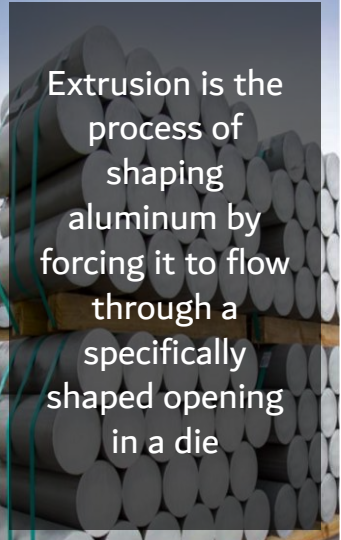
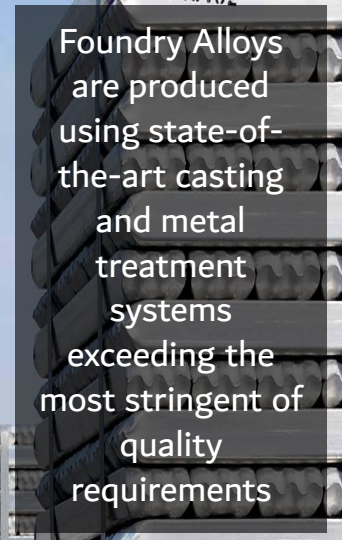
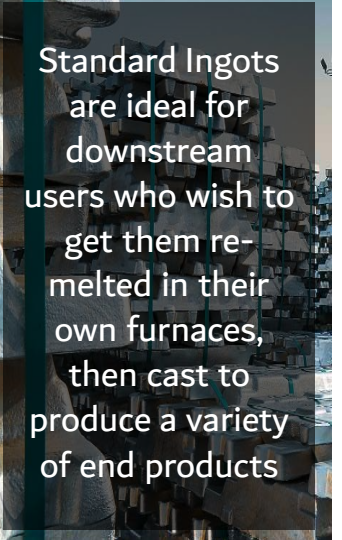
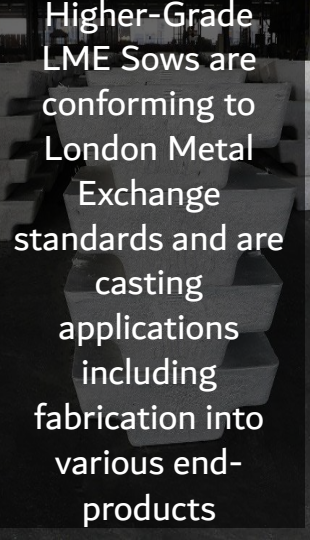
Aluminium Products



The Business Model *(Cont'd)*

High Quality Product Portfolio

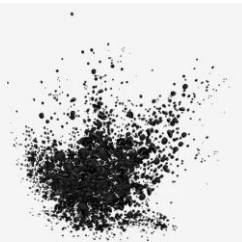
Aluminium Products

Billets (Extrusion Ingots)	Slabs (Rolling Ingots)	Foundry Alloys (Properzi Ingots)	Liquid Metal (Molten)	Standard Ingots	T-ingots	LME Sows
+620k MT/year Production Capacity	+250k MT/year Production Capacity	+90k MT/year Production Capacity	+1.622mn MT/year Production Capacity	+400k MT/year Production Capacity	+70k MT/year Production Capacity	+240K MT/year Production Capacity
 Extrusion is the process of shaping aluminum by forcing it to flow through a specifically shaped opening in a die	 High-quality Rolling Ingots (Slabs) are used in rolling mills for manufacturing aluminum foil and sheet products	 Foundry Alloys are produced using state-of-the-art casting and metal treatment systems exceeding the most stringent of quality requirements	 Producing high-quality molten aluminum with an average purity exceeding 99.86%	 Standard Ingots are ideal for downstream users who wish to get them re-melted in their own furnaces, then cast to produce a variety of end products	 T-ingots in foundry alloys are produced by using state-of-the-art casting and metal treatment systems	 Higher-Grade LME Sows are conforming to London Metal Exchange standards and are casting applications including fabrication into various end-products

The Business Model *(Cont'd)*

High Quality Product Portfolio

Other Products



Calcined Coke

Production Capacity: 550,000 MTPA

Calcined Petroleum Coke (CPC) is the major raw material used to produce carbon anodes for the aluminum smelting process, while the raw coke - the Green Petroleum Coke (GPC) - is the product of the coker unit in a crude oil refinery and must possess sufficiently low metal content in order to be used as anode material.



Anode

Production Capacity: 550,000 MTPA

Anodes are carbon blocks used to conduct electrical energy during the process of producing primary aluminum. We have four computerized carbon plants that produce about 550,000 metric tones of anodes every year to ensure continuous and uninterrupted supply of high-quality replacement anodes.



Power

Production Capacity: 4,200 MW ISO

The aluminum smelting process is power intensive due to the electrolysis process. Alba is able to ensure self-sufficiency in meeting its extensive energy requirements through our three environmentally friendly power stations of a total combined power generating capacity of 4,200 MW ISO, which is equivalent to the average power consumed in the Kingdom of Bahrain as a whole.



Water

Production Capacity: 13mn CMPA

Most of the potable water in the Gulf region is produced through seawater desalination. This process utilizes a vast amount of energy and plays a major role in contributing to the region's carbon footprint.

The Business Model *(Cont'd)*

Production Process

Key Inputs



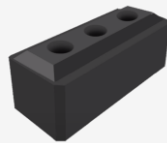
Alumina



Calcined Coke

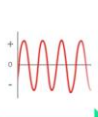


Liquid Pitch



Anode

Power
Stations



AC

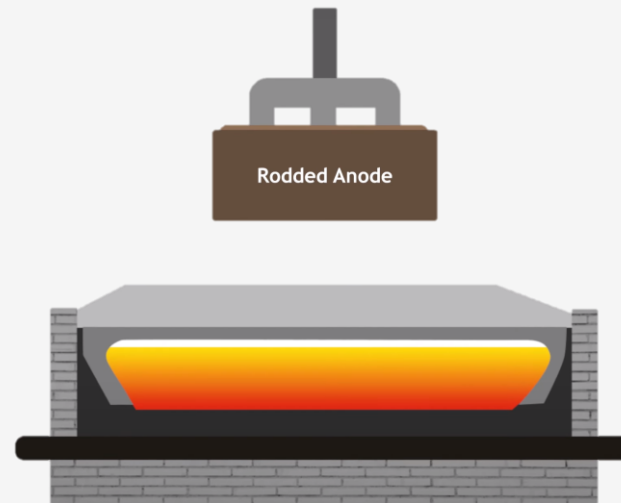
Rectifiers



DC

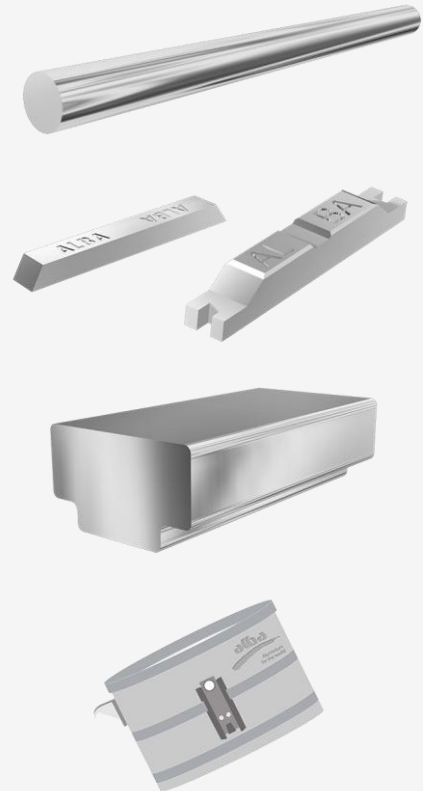
Potlines

Processing



Smelter 960 °C

Key Outputs



Aluminium Products

The Business Model (Cont'd)

Competitive Landscape

Top Five Competitors	 Aluminium for the world	 الإمارات العالمية للألمنيوم EMIRATES GLOBAL ALUMINIUM	 شركة قطر لصناعة الألمنيوم Qatar Aluminium Manufacturing Company	 صهار ALUMINIUM ألمنيوم	
Name	Aluminium Bahrain - Alba (ALBH)	Emirates Global Aluminium (EGA)	Qatar Aluminium Manufacturing Company (QAMCO)	Sohar Aluminium	Constellium SE
Location	Bahrain	Abu Dhabi, UAE	Qatar	Oman	France
Foundation Year	1968	1975	2018	2004	2011
Production Capacity	1.62 Million MTPA	2.66 Million MTPA	627.0 Thousands MTPA	390.0 Thousands MTPA	385.0 Thousands MTPA

Catalysts & Risks

ALBH's SWOT Analysis

Strengths

- **Single-Site Scale:** Largest smelter in middle east.
- **Safety Excellence:** +42mn LTI-free hours.
- **High VAP Share:** 74% Value-Added Sales.

Weaknesses

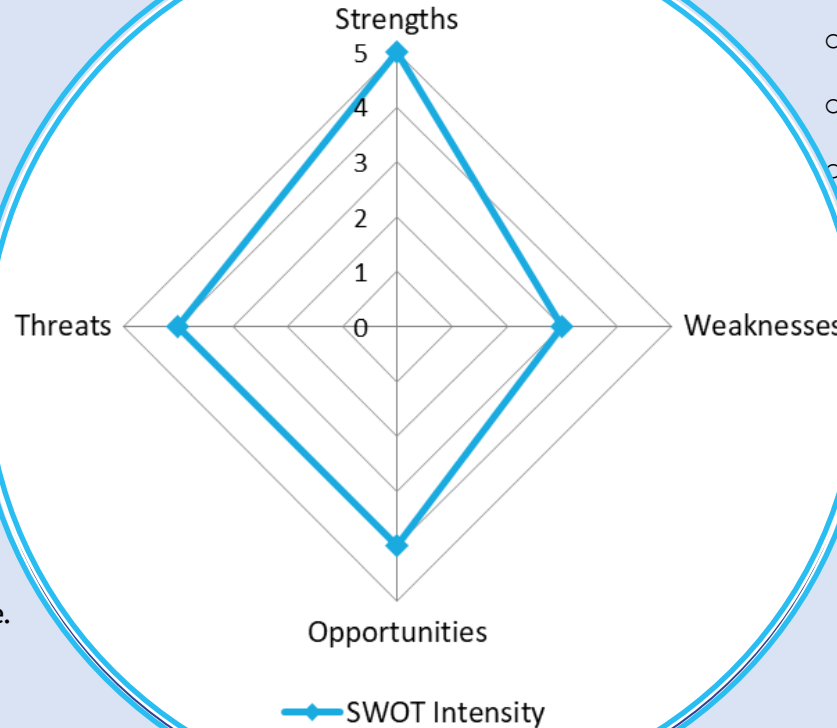
- **Geographic Concentration:** Single-site production risk.
- **Maritime Dependency:** Relies on Hormuz Strait.
- **Energy Sensitivity:** High natural gas consumption.

Opportunities

- **European Expansion:** Acquiring Aluminium Dunkerque.
- **Low-Carbon Line:** Expanding EternAl™ products.
- **AI Integration:** USD150mn savings target.

Threats

- **Geopolitical War:** Regional missile/drone risks.
- **Supply Disruptions:** Force Majeure shipping halts.
- **Prices Volatility:** High volatile aluminum prices.



Catalysts & Risks (Cont'd)

Industry: Porter's Five Forces Analysis

Bargaining Power of Buyers

- **Auto Sector:** High demand for EVs.
- **Contract Power:** Large industrial buyers' leverage.
- **Geographic Pivot:** Shift toward European customers.

Bargaining Power of Suppliers

- **Alumina Sourcing:** Dependence on global refineries.
- **Gas Pricing:** Sovereign-set energy input costs.
- **Logistics Bottlenecks:** Vulnerable maritime supply chains.

Competitive Rivalry

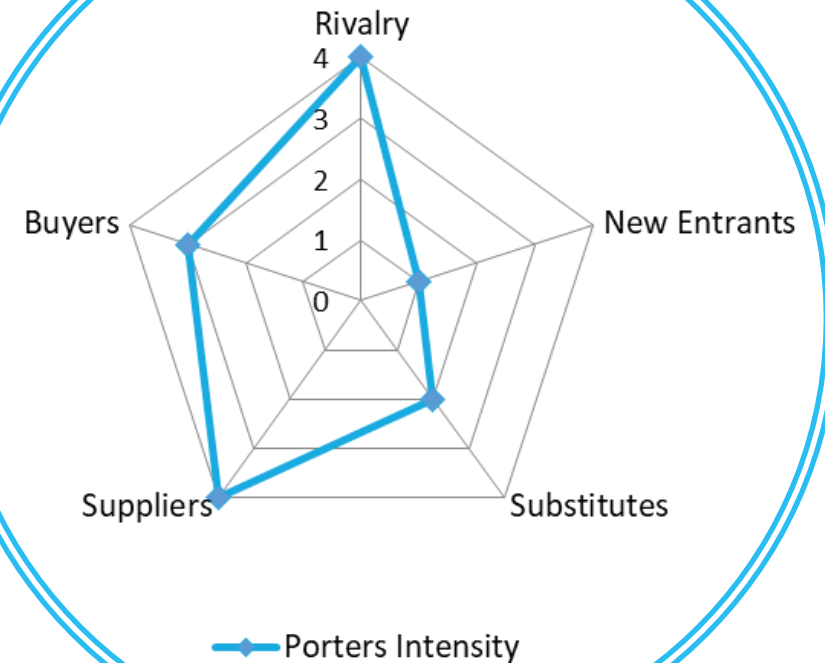
- **Chinese Output:** Dominance of +40mn MTPA.
- **Regional Competitors:** Proximity to Ma'aden/EGA.
- **Premium Differentiation:** Focus on high-quality VAP

Threat of New Entrants

- **Capital Intensity:** Multi-billion-dollar entry cost.
- **Energy Access:** Requirement for cheap power.
- **Regulatory Barriers:** Tightening carbon-border taxes (CBAM).

Threat of Substitutes

- **Composite Materials:** Lightweight alternatives in aerospace.
- **Recycled Scrap:** Growing Green AI competition.



Catalysts & Risks (Cont'd)

Country: PEST Analysis

Political

- **Regional Stability:** Impact of Middle-East war.
- **Government Support:** Strong Mumtalakat backing.
- **Trade Sanctions:** Russian metal supply restrictions.

Economic

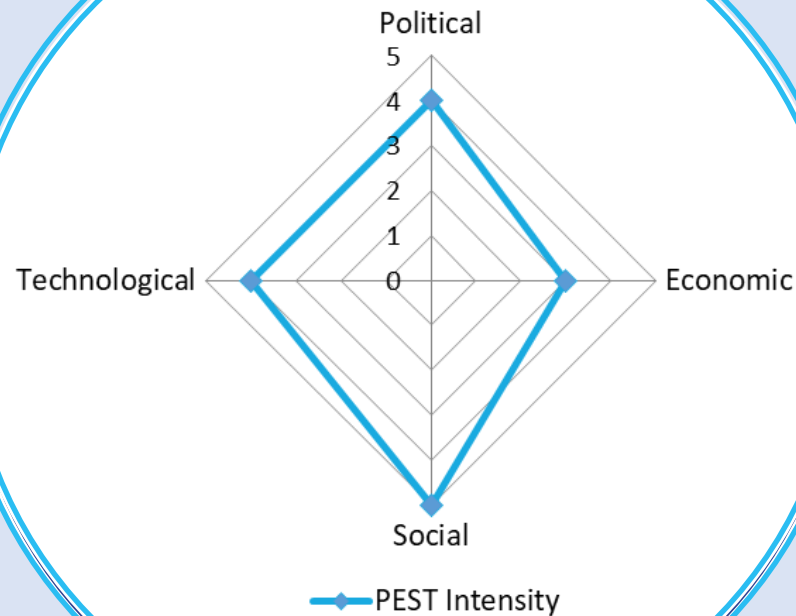
- **Strong Aluminum Prices:** Expected to average +USD3,200/ton in 2026.
- **Global Deficit:** 600k MT structural shortfall.
- **Inflationary Pressures:** Rising alumina and energy costs.

Social

- **Workforce Nationalization:** High Bahraini employment rate.
- **Safety Culture:** Industry-leading occupational health standards.
- **Community Investment:** Major driver of Bahrain's GDP.

Technological

- **Line 7 Study:** Feasibility of new capacity.
- **AI Optimization:** Advanced data modeling partnership.
- **Clean Energy:** Solar farm and decarbonization.



Financial Analysis

Financial Results Commentary

Profitability: ALBH recorded an 18.5% y/y increase in net profit, reaching BHD 218.7mn in FY25a, reflecting a net profit margin of 12.3%, thanks to revenue increasing by 9.7% y/y to BHD1.78 bn in FY25a. The historical revenue CAGR (FY19a–FY25a) stands at 9.6%.

The performance of revenue across the historical period was influenced by: (1) realized pricing adjustments and (2) product mix shifts, with a total historical CAGR of 9.6% for FY19a–FY25a.

Revenues breakdown (by products):

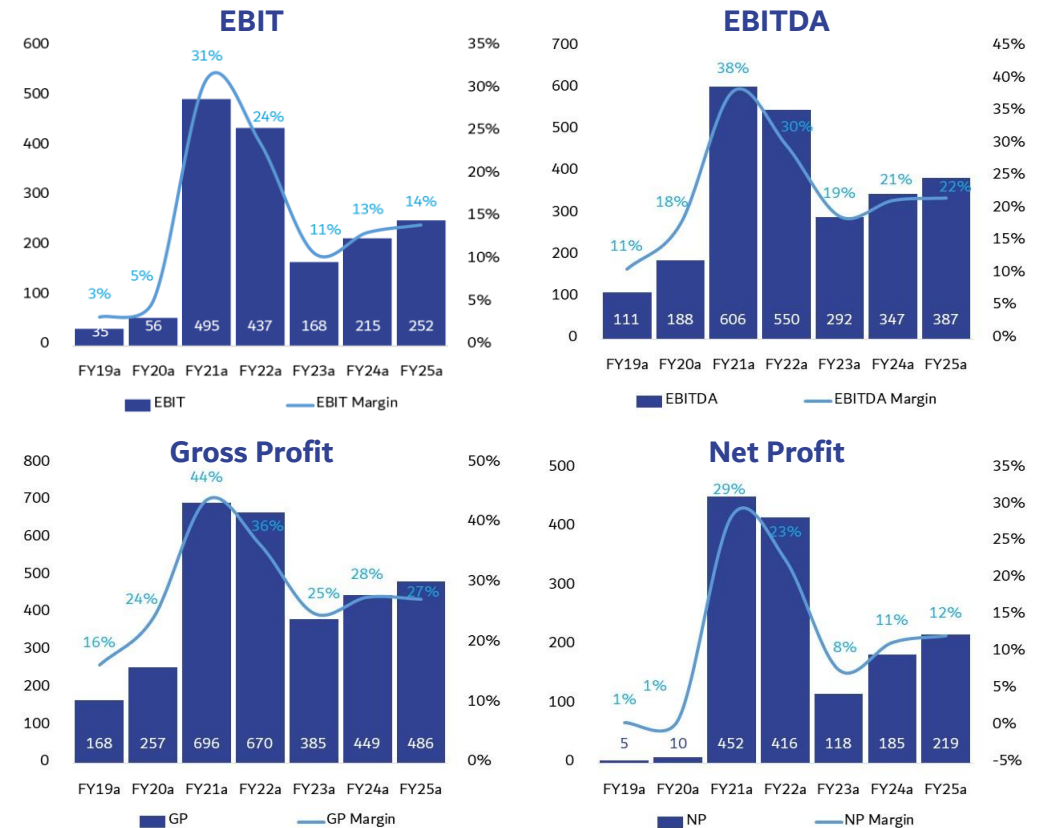
- Billets** revenues increased by 23.1% y/y, recording BHD679.7mn in FY25a, contributing 38.2% of revenues.
- Slabs** revenues increased by 33.8% y/y, recording BHD241.1mn in FY25a, contributing 13.6% of revenues.
- Foundry** revenues decreased by 0.7% y/y, recording BHD436.6mn in FY25a, contributing 24.5% of revenues.
- Liquid Metal** revenues increased by 28.4% y/y, recording BHD338.7mn in FY25a, contributing 19.0% of revenues.
- Standard Ingots** revenues decreased by 38.3% y/y, recording BHD81.5mn in FY25a, contributing 4.6% of revenues.

Revenues breakdown (by region):

- Kingdom of Bahrain** revenues increased by 18.6% y/y, recording BHD487.9mn in FY25a, contributing 27.4% of revenues (3-year CAGR: 13.0%).
- Other MENA** revenues increased by 3.7% y/y, recording BHD475.6mn in FY25a, contributing 26.7% of revenues (3-year CAGR: 18.3%).
- Europe** revenues increased by 14.0% y/y, recording BHD297.4mn in FY25a, contributing 16.7% of revenues (3-year CAGR: 3.1%).
- Asia** revenues decreased by 19.6% y/y, recording BHD198.0mn in FY25a, contributing 11.1% of revenues (3-year CAGR: -2.7%).
- Americas** revenues increased by 30.6% y/y, recording BHD319.9mn in FY25a, contributing 18.0% of revenues (3-year CAGR: 14.8%).

Liquidity position: ALBH recorded a 35.1% y/y increase in cash & cash equivalent balance, reporting BHD153.7mn by FY25a compared to BHD113.8mn by FY24a.

Financial leverage: ALBH reported a net debt/equity ratio of 18.2% in FY25a versus 27.9% by FY24a, driven by a net debt balance of BHD225.4mn by FY25a.



Key Financials: Balance Sheet Statement

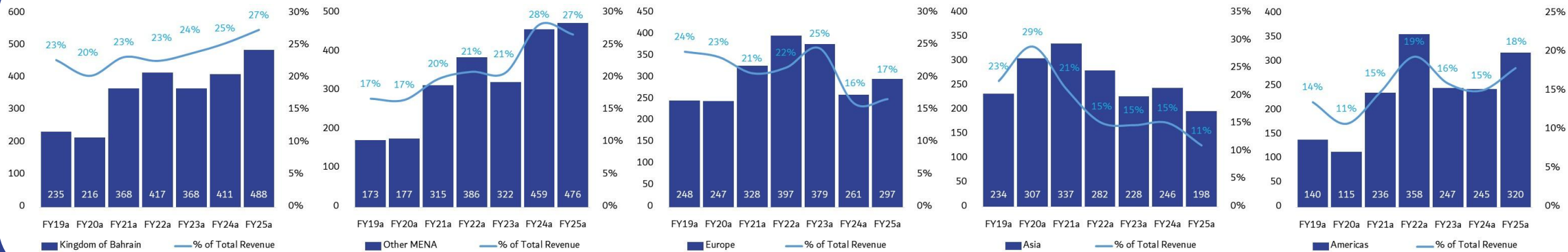
BHD mn	FY25a	FY24a	y/y
Cash and Cash Equivalents (BHD mn)	153.7	113.8	35.1%
Total Debt (BHD mn)	379.1	536.5	-29.3%
Net Debt (BHD mn)	225.4	422.7	-46.7%
Total Owner Equity (BHD mn)	2,085.6	1,923.9	8.4%
Net Debt/Equity (%)	18.2%	27.9%	-971 bps

Source: Financial Statements

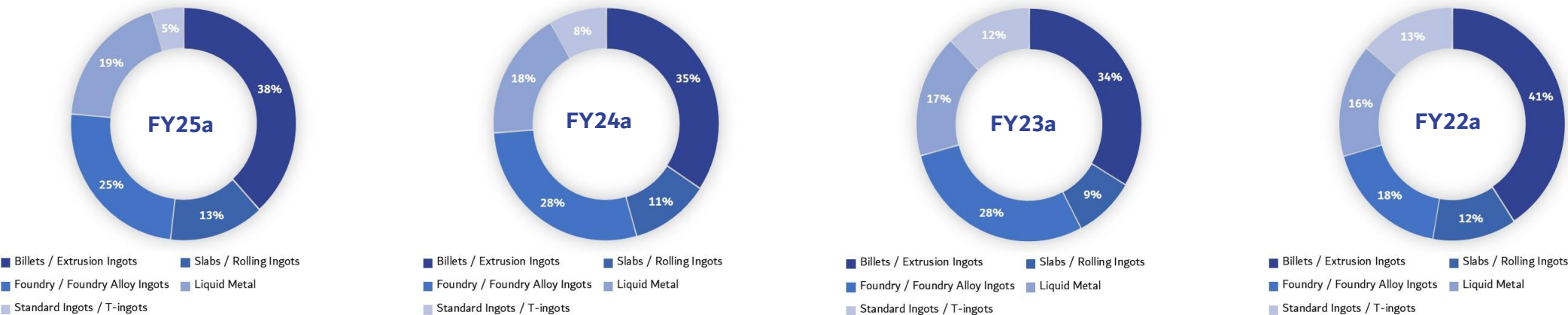
Financial Analysis (Cont'd)

Financial Results Commentary

Revenues Breakdown (by Region)

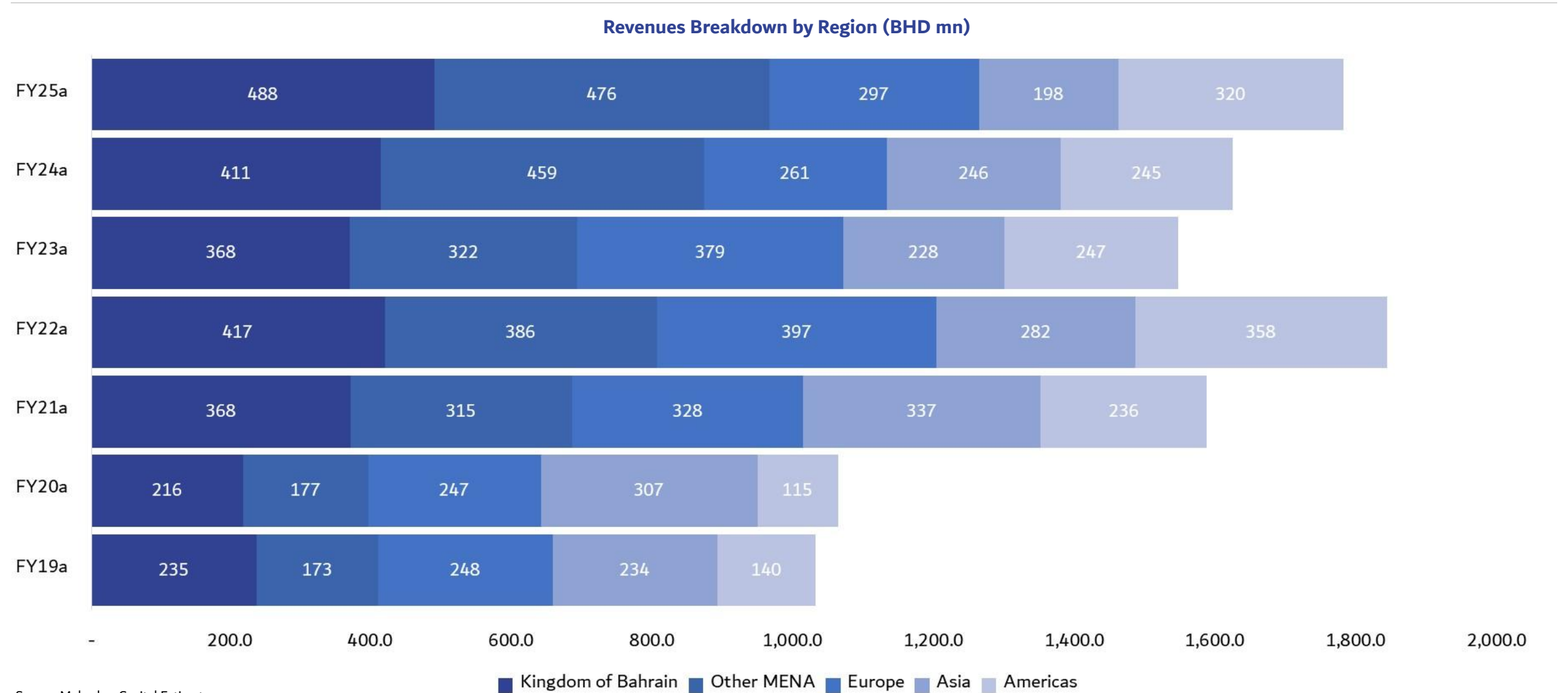


Revenues Breakdown (by Products)



Financial Analysis *(Cont'd)*

Revenue Breakdown Streams

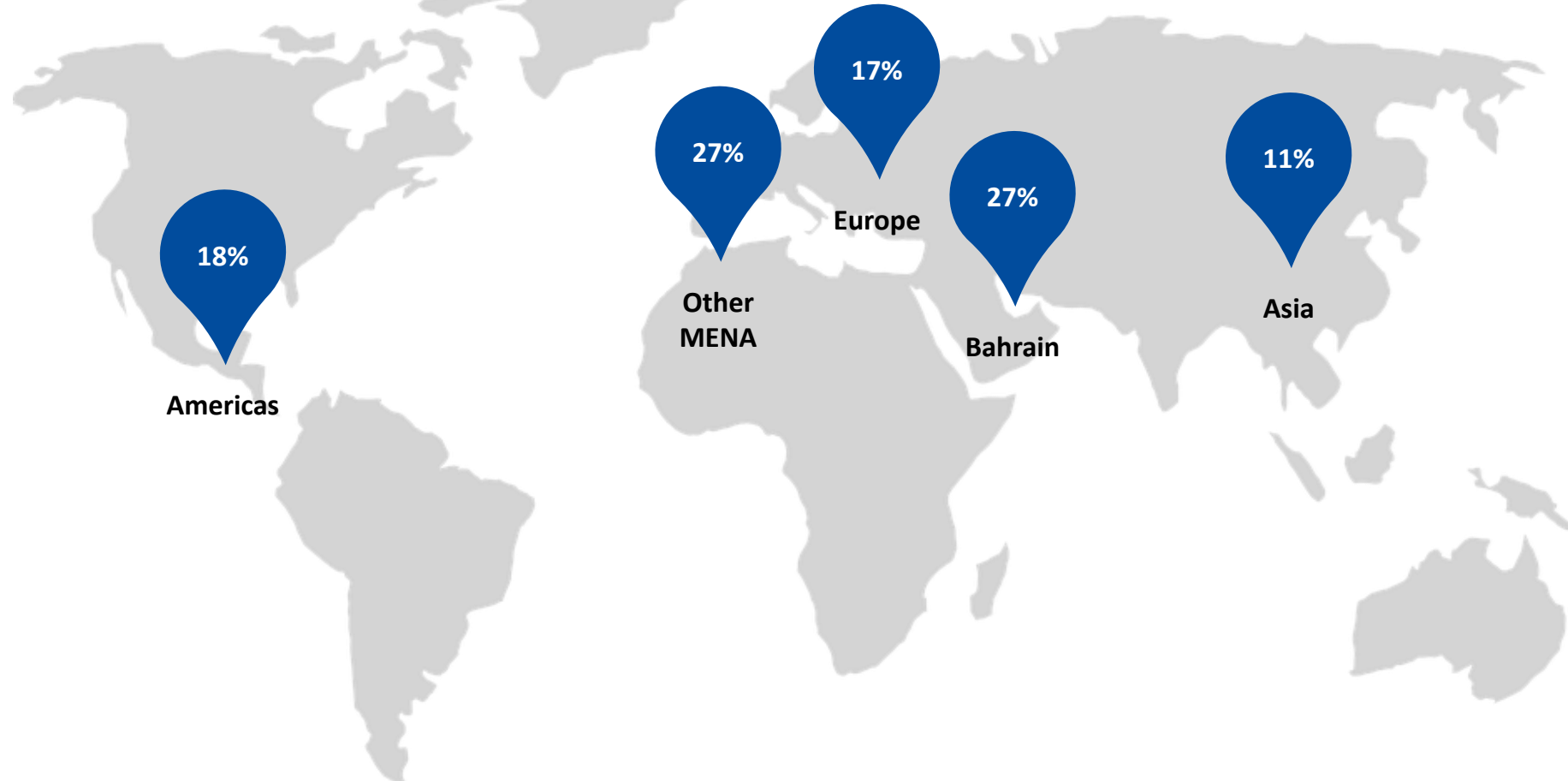


Source: Mubasher Capital Estimates.

Financial Analysis (Cont'd)

Geographic Revenue Distribution

Revenues Breakdown by Region in FY25 (BHD mn)



Source: Mubasher Capital Estimates.

Valuation

Key Basis and Assumptions

Revenue Assumptions:

	FY21a	FY22a	FY23a	FY24a	FY25a	FY26f	FY27f	FY28f	FY29f	FY30f
Aluminium production capacity:										
Produced volume (MT mn)	1.561	1.600	1.621	1.622	1.623	1.620	1.728	1.836	1.944	2.052
Sold volume (MT mn)	1.551	1.568	1.603	1.612	1.613	1.610	1.718	1.825	1.932	2.040
Value added sales volume -VAS (MT mn)	0.978	1.042	1.095	1.157	1.196	1.201	1.281	1.361	1.441	1.521
Aluminium products pricing:										
Aluminum price per metric tonne (BHD)	932.6	1,020.5	848.6	911.5	991.6	1,219.7	1,319.1	1,451.5	1,597.2	1,757.6
Aluminum revenue (BHD mn)	1,446.4	1,600.3	1,360.3	1,469.0	1,599.8	1,964.0	2,265.7	2,649.0	3,086.3	3,584.8
Premium price per metric tonne (BHD)	111.5	168.5	108.9	101.0	125.2	134.7	130.2	130.2	130.2	130.2
Premium revenue (BHD mn)	109.0	175.6	119.2	116.9	149.7	161.8	166.8	177.2	187.6	198.0
Pricing adjustments (BHD mn)	2.7	(3.9)	(2.2)	6.7	1.2	2.4	2.8	3.2	3.8	4.3

Cost of Revenue Assumptions:

	FY21a	FY22a	FY23a	FY24a	FY25a	FY26f	FY27f	FY28f	FY29f	FY30f
Alumina:										
Consumed alumina volume / Produced aluminum volume (MT)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Consumed alumina volume (MT mn)	3.122	3.200	3.241	3.245	3.246	3.240	3.456	3.672	3.888	4.104
Alumina price per metric tonne (BHD)	122.5	158.3	136.4	167.3	189.6	186.5	201.7	222.0	244.3	268.8
Natural gas and diesel:										
Consumed natural gas volume / Produced aluminum volume (MMBTU)	106.4	104.4	105.5	107.0	107.0	107.0	107.0	107.0	107.0	107.0
Consumed natural gas volume (TBTU)	166.1	167.1	170.9	173.7	173.7	173.4	185.0	196.5	208.1	219.7
Natural gas price per MMBTU (USD)	3.75	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Natural gas price per MMBTU (BHD)	1.41	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51
Electricity:										
Produced electricity volume / Produced aluminum volume (MWh)	14.80	14.40	14.61	14.62	14.62	14.62	14.62	14.62	14.62	14.62
Exported electricity volume / Produced aluminum volume (MWh)	0.29	0.24	0.44	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Imported electricity volume / Produced aluminum volume (MWh)	0.27	0.38	0.48	0.32	0.32	0.32	0.32	0.32	0.32	0.32
Produced electricity volume (GWh)	23,106	23,048	23,686	23,713	23,725	23,680	25,258	26,837	28,415	29,994
Exported electricity volume (GWh)	(460)	(378)	(718)	(405)	(405)	(404)	(431)	(458)	(485)	(512)
Imported electricity volume (GWh)	429	607	776	525	525	524	559	594	629	664
Total consumed electricity volume (GWh)	23,075	23,277	23,744	23,833	23,846	23,800	25,386	26,973	28,560	30,146
Electricity cost per MWh (BHD)	0.14	0.19	0.10	0.16	0.19	0.19	0.19	0.19	0.19	0.19

Source: Mubasher Capital Estimates.

Valuation (Cont'd)

Forecasted Financial Statements

Income Statement Summary (Actual vs Forecasted)

BHD mn	FY21a	FY22a	FY23a	FY24a	FY25a	FY26f	FY27f	FY28f	FY29f	FY30f
Revenues	1,584.8	1,840.9	1,543.9	1,621.7	1,778.8	2,128.2	2,435.3	2,829.4	3,277.7	3,787.2
Cost of revenues	(889.2)	(1,171.3)	(1,158.6)	(1,173.2)	(1,293.0)	(1,452.7)	(1,718.4)	(2,064.0)	(2,476.8)	(2,970.6)
GP	695.7	669.7	385.3	448.5	485.7	675.5	716.9	765.4	800.9	816.6
GP Margin	43.9%	36.4%	25.0%	27.7%	27.3%	31.7%	29.4%	27.1%	24.4%	21.6%
EBITDA	605.8	549.6	292.1	346.9	386.8	543.1	565.1	589.0	596.3	580.0
EBITDA Margin	38.2%	29.9%	18.9%	21.4%	21.7%	25.5%	23.2%	20.8%	18.2%	15.3%
EBIT	495.3	437.3	168.2	215.3	251.9	404.3	418.0	433.6	432.3	407.0
EBIT Margin	31.3%	23.8%	10.9%	13.3%	14.2%	19.0%	17.2%	15.3%	13.2%	10.7%
EBT	453.0	416.6	118.2	185.0	221.1	368.7	380.2	391.9	386.1	355.5
EBT Margin	28.6%	22.6%	7.7%	11.4%	12.4%	17.3%	15.6%	13.9%	11.8%	9.4%
Net Profit	451.9	416.2	118.0	184.5	218.7	366.4	377.7	389.4	383.6	353.2
Net Profit Margin	28.5%	22.6%	7.6%	11.4%	12.3%	17.2%	15.5%	13.8%	11.7%	9.3%
EPS (BHD)	0.32	0.29	0.08	0.13	0.15	0.26	0.27	0.28	0.27	0.25

Balance Sheet Summary (Actual vs Forecasted)

BHD mn	FY21a	FY22a	FY23a	FY24a	FY25a	FY26f	FY27f	FY28f	FY29f	FY30f
Total non-current assets	1,910.0	1,922.9	1,913.1	1,879.6	1,821.0	1,810.3	1,791.9	1,767.4	1,735.8	1,696.6
Total current assets	714.6	694.2	640.5	793.7	802.3	1,414.2	1,757.6	2,149.4	2,540.6	2,910.5
Total assets	2,624.6	2,617.2	2,553.6	2,673.4	2,623.3	3,224.5	3,549.5	3,916.7	4,276.4	4,607.1
Working capital	303.1	410.8	268.6	391.7	568.2	1,068.9	1,354.4	1,654.4	1,934.6	2,170.2
Total investment	2,213.1	2,333.7	2,181.7	2,271.3	2,389.2	2,879.2	3,146.4	3,421.8	3,670.5	3,866.8
Total non-current liabilities	710.1	511.3	392.4	347.3	303.6	371.0	385.2	400.1	415.6	431.7
Total current liabilities	411.5	283.5	371.9	402.1	234.1	345.3	403.1	494.9	606.0	740.3
Total liabilities	1,121.6	794.7	764.3	749.4	537.7	716.3	788.4	895.0	1,021.5	1,172.0
Total liabilities and owner's equity	2,624.7	2,617.2	2,553.6	2,673.4	2,623.3	3,224.5	3,549.5	3,916.7	4,276.4	4,607.1
Total finance	2,213.2	2,333.7	2,181.7	2,271.3	2,389.2	2,879.2	3,146.4	3,421.8	3,670.5	3,866.8

Source: Mubasher Capital Estimates.

Valuation (Cont'd)

A Possible 51% Upside Potential

Market Valuation Approach: Peer Companies

Name	Ticker	P/B	P/E	EV/EBIT	EV/EBITDA
Constellium SE	CSTM.K	2.5x	9.2x	7.6x	4.8x
Shandong Nanshan Aluminium	600219.SS	0.9x	9.1x	5.3x	3.9x
Tianshan Aluminum Group	002532.SZ	1.3x	7.8x	8.3x	6.4x
Henan Mingtai Al Industrial	601677.SS	0.8x	8.2x	6.8x	4.8x
Lizhong Sitong Light Alloys Group	300428.SZ	1.3x	14.2x	15.8x	10.7x
Average		1.4x	9.7x	8.8x	6.1x
Median		1.3x	9.1x	7.6x	4.8x

Market Valuation Approach: Peers Multiples Method

	P/B	P/E	EV/EBIT	EV/EBITDA
Multiplier (x)	1.3x	9.1x	7.6x	4.8x
EBITDA in FY25a				386.8
EBIT in FY25a			251.9	
NP (after minority) in FY25a		218.7		
Owner's equity (after minority) in FY25a	2,085.6			
Enterprise value	2,694.6	1,982.0	1,926.6	1,870.6
Add				
Cash and cash equivalents in FY25a	-	-	153.7	153.7
Less				
Total debt in FY25a	-	-	(379.1)	(379.1)
Equity value (BHD mn)	2,694.6	1,982.0	1,701.2	1,645.2
Outstanding shares (# mn)	1,420.0	1,420.0	1,420.0	1,420.0
Fair value (BHD)	1.90	1.40	1.20	1.16

Source: Mubasher Capital Estimates.

Income Valuation Approach: Discounted Cash Flow (DCF) Method

	FY26f	FY27f	FY28f	FY29f	FY30f
NOPAT	401.7	415.3	430.8	429.5	404.4
Non-cash items	161.0	172.6	185.0	198.4	212.7
Change in working capital	(95.6)	(83.0)	(182.9)	(224.8)	(275.6)
Total CapEx	(158.9)	(164.8)	(171.1)	(177.5)	(184.3)
Free cash flow to the firm (FCFF)	308.3	340.1	261.8	225.5	157.1
Terminal value (TV)					2,663.6
Total FCFF	308.3	340.1	261.8	225.5	2,820.7
Discount duration (time factor)	0.81	1.81	2.81	3.81	4.81
Discount factor	0.94	0.86	0.78	0.72	0.66
Present value of FCFF	289.5	291.0	204.8	161.9	1,857.6
Enterprise value	2,804.7				
Add:					
Cash and cash equivalents in FY25a	153.7				
Less:					
Total debt in FY25a	(379.1)				
Minority rights in FY25a	(1.0)				
Equity value (BHD mn)	2,578.4				
Outstanding shares (# mn)	1,420.0				
Fair value (BHD)	1.82				

Valuation (Cont'd)

A Possible 51% Upside Potential

DCF Scenario Analysis

Best Case Scenario		Equity Value	FY26f	FY27f	FY28f	FY29f	FY30f
Microeconomics Assumptions:							
Aluminum prices (USD/MT)			3,336.25	3,600.00	3,951.31	4,337.89	4,763.26
Premium prices (USD/MT)			407.45	395.50	395.50	395.50	395.50
Alumina prices (USD/MT)			494.92	535.26	588.99	648.10	713.16
Business Operations Assumptions:		BHD2.35/ share					
Utilization rate (%)			100.0%	85.0%	90.0%	95.0%	100.0%
Sold volume / Produced volume (%)			100.0%	100.0%	100.0%	100.0%	100.0%
VAS volume / Sold volume (%)			79.1%	79.1%	79.1%	79.1%	79.1%

Base Case Scenario			FY26f	FY27f	FY28f	FY29f	FY30f
Microeconomics Assumptions:							
Aluminum prices (USD/MT)			3,236.25	3,500.00	3,851.31	4,237.89	4,663.26
Premium prices (USD/MT)			357.45	345.50	345.50	345.50	345.50
Alumina prices (USD/MT)			494.92	535.26	588.99	648.10	713.16
Business Operations Assumptions:		BHD1.82/ share					
Utilization rate (%)			100.0%	80.0%	85.0%	90.0%	95.0%
Sold volume / Produced volume (%)			99.4%	99.4%	99.4%	99.4%	99.4%
VAS volume / Sold volume (%)			74.1%	74.1%	74.1%	74.1%	74.1%

Worst Case Scenario			FY26f	FY27f	FY28f	FY29f	FY30f
Microeconomics Assumptions:							
Aluminum prices (USD/MT)			3,136.25	3,400.00	3,751.31	4,137.89	4,563.26
Premium prices (USD/MT)			257.45	245.50	245.50	245.50	245.50
Alumina prices (USD/MT)			394.92	435.26	488.99	548.10	613.16
Business Operations Assumptions:		BHD1.54/ share					
Utilization rate (%)			100.0%	75.0%	80.0%	85.0%	90.0%
Sold volume / Produced volume (%)			90.0%	90.0%	90.0%	90.0%	90.0%
VAS volume / Sold volume (%)			69.1%	69.1%	69.1%	69.1%	69.1%

DCF Sensitivity Analysis

		Aluminum Prices (USD/MT)				
		2,636	2,936	3,236	3,536	3,836
Alumina Prices (USD/MT)	395	1.76	1.83	1.90	1.97	2.04
	445	1.72	1.79	1.86	1.93	2.00
	495	1.68	1.75	1.82	1.89	1.96
	545	1.64	1.71	1.78	1.85	1.92
	595	1.60	1.67	1.73	1.80	1.88

		Premium Prices (USD/MT)				
		337	347	357	367	377
VAS (%)	54%	1.56	1.57	1.57	1.57	1.57
	64%	1.69	1.69	1.69	1.69	1.69
	74%	1.81	1.81	1.82	1.82	1.82
	84%	1.94	1.94	1.94	1.94	1.94
	94%	2.06	2.06	2.06	2.07	2.07

		Weighted Average Cost of Capital (WACC)				
		6.1%	7.1%	8.1%	9.1%	10.1%
Terminal Growth Rate	2.0%	1.63	1.63	1.63	1.63	1.63
	2.5%	1.72	1.72	1.72	1.71	1.71
	3.0%	1.82	1.82	1.82	1.81	1.81
	3.5%	1.94	1.93	1.93	1.93	1.93
	4.0%	2.08	2.08	2.07	2.07	2.07

Valuation (Cont'd)

A Possible 51% Upside Potential

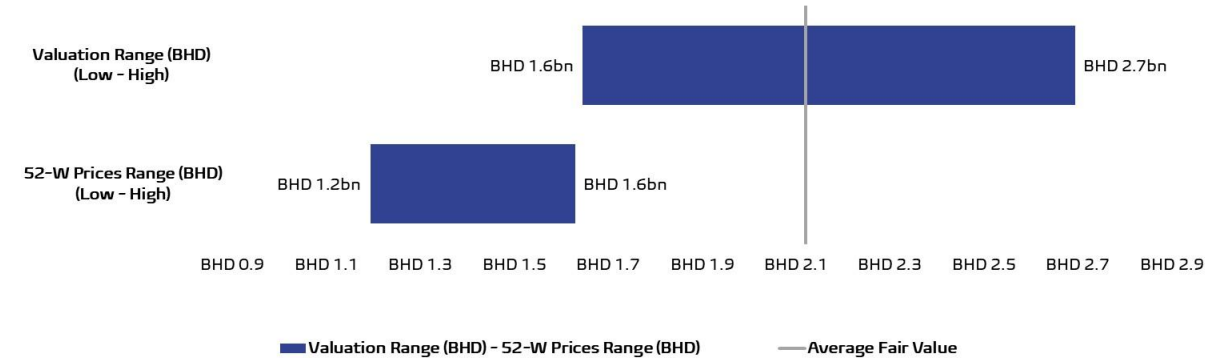
Valuation Summary:

We valued **Aluminium Bahrain – “alba” (ALBH)** using five valuation methods: (1) DCF Method, (2) P/B Method, (3) P/E Method, (4) EV/EBIT Method, and (5) EV/EBITDA Method, as following:

- Income Valuation Approach: using Discounted Cash Flow (DCF) Valuation Method, implying an equity value of BHD2.6bn (BHD1.82/share).
- Market Valuation Approach: using P/B Valuation Method, implying an equity value of BHD2.7bn (BHD1.90/share).
- Market Valuation Approach: using P/E Valuation Method, implying an equity value of BHD2.0bn (BHD1.40/share).
- Market Valuation Approach: using EV/EBIT Valuation Method, implying an equity value of BHD1.7bn (BHD1.20/share).
- Market Valuation Approach: using EV/EBITDA Valuation Method, implying an equity value of BHD1.6bn (BHD1.16/share).

We assigned an equal weight to the five valuation methods, **reaching an average equity value average of BHD2.1bn, implying a fair value of BHD1.49/share (+51%).**

Football Field Valuation: 52-W Price Range vs. Valuation Range



Valuation Summary

	DCF Valuation Method	P/B Valuation Method	P/E Valuation Method	EV/EBIT Valuation Method	EV/EBITDA Valuation Method
Equity Value (BHD mn)	2,578.4	2,694.6	1,982.0	1,701.2	1,645.2
Equity Value Average (BHD mn)	2,120.1				
Outstanding shares (# mn)	1,420.0				
Fair value (BHD)	1.49				

Source: Mubasher Capital Estimates.

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