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## **UNITED COMPANY RUSAL, INTERNATIONAL PUBLIC JOINT-STOCK COMPANY**

*(Incorporated under the laws of Jersey with limited liability and continued in the  
Russian Federation as an international company)*

**(Stock Code: 486)**

### **SECOND QUARTER 2021 TRADING UPDATE**

This announcement is made by United Company RUSAL, international public joint-stock company (“RUSAL” or the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

Shareholders and potential investors are advised to exercise caution when dealing in the securities of RUSAL.

**RUSAL announces its operating results for the second quarter of 2021 (“2Q21”).**

#### **Key highlights**

##### **Aluminium**

- Aluminium production in 2Q21 totaled 936 thousand tonnes (+0.4% quarter-on-quarter (“QoQ”)), with Siberian smelters representing 93% of total aluminium output;
- In 2Q21, aluminium sales amounted to 1,038 thousand tonnes (+7.9% QoQ). The growth was primarily due to low comparison base of 1Q21, when volume of sales was affected by normalization of inventories in delivery pipeline. In line with its strategy, during 2Q21 the Company continued to grow sales of value added products (“VAP”<sup>1</sup>) which increased by 15.9% QoQ, to 542 thousand tonnes. VAP’s share in total sales grew to 52% in 2Q21 vs 49% in 1Q21;

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<sup>1</sup> VAP includes alloyed ingots, slabs, billets, wire rod and special purity aluminium.

- In 2Q21 the sales geography remained largely unchanged compared to the previous quarter. European destination held 40% of total sales (-2pp QoQ). The shift was towards Russian&CIS sales that increased to 26% (vs 24% in 1Q21);
- In 2Q21, the average aluminium realized price<sup>2</sup> increased by 15.5% QoQ to USD 2,445/t. The increase was driven by positive dynamics in the London Metal Exchange (“LME”) QP<sup>3</sup> component (+14.3% QoQ to USD 2,218/t) and the average realized premium component growth (+29.3% QoQ to USD 227/t).

### **Alumina**

- In 2Q21, total alumina production slightly increased by 0.6% QoQ, to 2,057 thousand tonnes. The Company’s Russian operations accounted for 37% of total output.

### **Bauxite and nepheline ore**

- In 2Q21, bauxite production grew by 0.9% QoQ, to 3,836 thousand tonnes. Nepheline production increased by 3.5% QoQ to 1,099 thousand tonnes.

### **Market overview<sup>4</sup>**

- The aluminium market continued its recovery in 2Q21 with LME aluminum price growth above USD2500/tonne. The Shanghai Futures Exchange (“SHFE”) price in China remains supported by domestic demand and despite metal reserves sales from China’s State Reserves Bureau is also experiencing constant low stock levels, supply disruptions and strong seasonality factors. The current SHFE price holds above RMB19000/tonne;
- At the same time, the highly contagious Delta variant of COVID-19 has led to an increase in new infections and deaths worldwide recently. Rising cases of Delta is potentially a significant downside risk for the global economy due to possible closures, and the related decrease in demand and fall of commodity prices, including aluminum;
- In 1H21, global primary aluminium demand grew by 11.9% YoY to 33.9 million tonnes. In the Rest of the World (“RoW”) demand increased by 14.6% to 14.1 million tonnes, while demand in China increased by 10.1% to 19.8 million tonnes;

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<sup>2</sup> The realised price includes three components: LME component, commodity premium and VAP upcharge.

<sup>3</sup> QP (quotation period) prices differs from the real time LME quotes due to a time lag between LME quotes and sales recognition and due to contract formula specialty.

<sup>4</sup> Unless otherwise stated, data for the “Market overview” section is sourced from Bloomberg, CRU, CNIA, IAI and Antaika.

- The worldwide supply of primary aluminium continued to grow in 1H21 increasing by 5.7% YoY to 33.8 million tonnes, mostly driven by growth in China of 8.9% to 19.7 million tonnes, while in RoW production grew by just 1.6% to 14.1 million tonnes. The strong de-carbonization commitments announced by China have started to disrupt the balance in the market since aluminium capacity cuts had already started to take place in certain coal abundant provinces during 2Q21. The large emerging aluminum smelter hub Yunnan also suffered from power shortages caused by the dry season, resulting in operating capacity cuts of 800 thousand tonnes as well as commissioning delays at newly built projects. As a result operating capacity in China lowered to 39.88 million tonnes in June compared to 39.93 million tonnes as of the end of 1Q21;
- On the backdrop of these trends in the Chinese aluminium industry, significant investment is already being made into scrap recovery hubs in China, which can potentially replace some primary metal deficit in future;
- Chinese unwrought aluminum and products exports grew by 10.6% in 1H21 YoY to 2.6 million tonnes from a low base in 1H20 that was affected by COVID lockdowns across markets ex-China;
- In 1H21 aluminium inventories continued to decline with total LME stocks staying below 1.5 million tonnes as of the end of 1H21, compared to the high level of 2 million tonnes, registered in February 2021. Persistent outflows suggest healthy physical demand. Total canceled metal warrants surged to 627 thousand tonnes and constitute 40% of total stocks. Metal held outside of LME warehouses (off-warrant reported stocks) fell for the third month in a row — down to 0.87 million tonnes in May 2021, 13% below its peak 1.74 million tonnes in February 2021;
- Regional stocks in China continued to see a decline following seasonally strong demand and dropped below 870 thousand tonnes from its peak of 1.26 million tonnes during 1Q21;

- Regional premiums remained strong with Midwest Al premium reaching levels above 30 cents/lb and EU DP premium - above USD300/tonne. This growth occurred against the backdrop of sellers raising quotations on expectations that the premium will continue to climb in line with strong physical demand, raising freight costs and looming Russian export duties that have even further added to the overall bullish sentiment;
- Overall the global market was roughly balanced in 1H21 compared to around 1.7 million tonnes of surplus observed during the same period of 2020.

## KEY OPERATING DATA

### GROUP PRODUCTION DATA<sup>5</sup>

('000 tonnes)	2Q21	1Q21	Change, % (QoQ)	1H21	1H20	Change, % (YoY)
Aluminium	936	932	0.4%	1,868	1,867	0.1%
<i>utilisation rate</i> <sup>6</sup>	96%	97%	-1pp	97%	96%	1pp
Aluminium foil and packaging products	27.2	26.6	1.9%	53.8	49.1	9.7%
Alumina	2,057	2,045	0.6%	4,102	4,022	2.0%
Bauxite	3,836	3,801	0.9%	7,637	7,469	2.3%
Nepheline	1,099	1,062	3.5%	2,161	2,264	-4.5%

<sup>5</sup> Unless stated otherwise the production volumes are calculated based on the pro rata share of the Company's (and its subsidiaries') ownership.

<sup>6</sup> The basis for capacity utilization rate calculation is different between reporting periods since it is directly related to the number of calendar days. Hence utilization rate may be lower in certain period even when actual output is higher than during the period with which it is being compared to.

## GROUP SALES DATA

('000 tonnes)	2Q21	1Q21	Change, % (QoQ)	1H21	1H20	Change, % (YoY)
Aluminium sales	1,038	962	7.9%	2,000	1,890	5.8%
including						
BoAZ	78	56	38.3%	134	145	-7.8%
Other third parties	41	36	12.4%	78	11.5	574.1%
Realized price, USD/t	2,445	2,116	15.5%	2,287	1,756	30.2%
LME QP component	2,218	1,940	14.3%	2,084	1,615	29.0%
Realised premium	227	176	29.3%	203	141	43.7%
Commodity						
component (100%						
of sales)	118	83	41.6%	101	74	37.0%
VAP upcharge						
component (100%						
of sales)	109	92	18.2%	101	67	51.0%
VAP upcharge over						
commodity (VAP						
products only)	207	190	9.4%	199	161	23.7%
VAP sales in tonnes	542	468	15.9%	1,010	785	28.6%
Share of VAP	52%	49%	3pp	50%	42%	8pp
Sales geography, %						
Europe	40%	42%	-2pp	41%	51%	-10pp
Russia & CIS	26%	24%	2pp	25%	21%	4pp
Asia	26%	26%	—	26%	21%	5pp
America	8%	8%	—	8%	6%	2pp
Alumina third party						
sales <sup>7</sup>	364	466	-21.9%	830	776	7.0%
Bauxite third party sales	96	17	464.7%	113	75	50.7%

## GROUP EXTERNAL PURCHASES DATA

('000 tonnes)	2Q21	1Q21	Change, % (QoQ)	1H21	1H20	Change, % (YoY)
Alumina <sup>8</sup>	212	208	1.9%	421	338	24.6%
Bauxite	1,116	1,263	-11.6%	2,379	2,166	9.8%

<sup>7</sup> Alumina third party sales excluding swaps.

<sup>8</sup> Alumina external purchase data excluding swaps.

## ALUMINIUM PRODUCTION

('000 tonnes)	2Q21	1Q21	Change, % (QoQ)	1H21	1H20	Change, % (YoY)
<b>Russia (Siberia)</b>						
Bratsk aluminium smelter	251	250	0.7%	501	500	0.2%
Krasnoyarsk aluminium smelter	253	253	0.3%	506	509	-0.5%
Sayanogorsk aluminium smelter	133	132	1.1%	265	268	-1.3%
Novokuznetsk aluminium smelter	53.5	53.2	0.4%	106.7	106.8	-0.1%
Irkutsk aluminium smelter	105.3	105.4	-0.1%	211	209	0.9%
Khakas aluminium smelter	75.5	76.9	-1.9%	152	146	4.4%
<b>Russia — Other</b>						
Volgograd aluminium smelter	17.3	17.0	1.7%	34.3	34.8	-1.3%
Kandalaksha aluminium smelter	15.2	15.7	-3.2%	30.8	36.0	-14.3%
<b>Sweden</b>						
Kubikenborg Aluminium (KUBAL)	30.9	29.9	3.5%	60.8	57.0	6.6%
<b>Total production<sup>9</sup></b>	<b>936</b>	<b>932</b>	<b>0.4%</b>	<b>1,868</b>	<b>1,867</b>	<b>0.1%</b>

## Foil and packaging production results

('000 tonnes)	2Q21	1Q21	Change, % (QoQ)	1H21	1H20	Change, % (YoY)
<b>Russia</b>						
Sayanal	9.8	9.4	5.1%	19.2	17.5	9.4%
Ural Foil	7.7	7.2	6.9%	14.9	11.7	27.0%
Sayana Foil	1.36	1.45	-6.1%	2.8	2.3	20.5%
<b>Armenia</b>						
Armenal	8.3	8.7	-4.3%	16.9	17.5	-3.0%
<b>Total production</b>	<b>27.2</b>	<b>26.6</b>	<b>1.9%</b>	<b>53.8</b>	<b>49.1</b>	<b>9.7%</b>

<sup>9</sup> Above and below “total production” figures may not equal to the mathematical addition of the numbers presented in the table above. The difference is due to the rounding up of exact numbers (incl. decimals).

## Other aluminium products output and silicon output

('000 tonnes)	2Q21	1Q21	Change, % (QoQ)	1H21	1H20	Change, % (YoY)
Secondary alloys	12.7	12.0	6.0%	24.7	7.5	228.0%
Silicon	6.6	6.5	1.0%	13.2	14.3	-7.8%
Powder	8.0	6.3	28.1%	14.3	11.8	20.5%
Wheels ('000 units)	727	729	-0.2%	1,456	1,002	45.4%

## ALUMINA PRODUCTION

('000 tonnes)	2Q21	1Q21	Change, % (QoQ)	1H21	1H20	Change, % (YoY)
<b>Ireland</b>						
Aughinish Alumina	447	471	-5.1%	918	939	-2.2%
<b>Jamaica</b>						
Winalco	110	123	-10.5%	232	269	-13.6%
<b>Ukraine</b>						
Nikolaev Alumina Refinery	437	428	1.9%	865	825	4.9%
<b>Russia</b>						
Bogoslovsk Alumina Refinery	249	227	9.8%	476	497	-4.4%
Achinsk Alumina Refinery	222	225	-1.0%	447	442	1.2%
Urals Alumina Refinery	228	226	1.1%	454	459	-1.1%
Pglz Alumina Refinery	63	62	2.5%	125	—	—
<b>Guinea</b>						
Friguia Alumina Refinery	110.7	99.5	11.3%	210	234	-10.0%
<b>Australia (JV)</b>						
Queensland Alumina Ltd <sup>10</sup>	190.4	185	2.8%	376	357	5.1%
<b>Total alumina production</b>	<b>2,057</b>	<b>2,045</b>	<b>0.6%</b>	<b>4,102</b>	<b>4,022</b>	<b>2.0%</b>

<sup>10</sup> The alumina production volume of Queensland Alumina Ltd is presented by 20% of its output i.e. based on an ownership pro rata basis

## BAUXITE MINING

('000 tonnes)	2Q21	1Q21	Change, % (QoQ)	1H21	1H20	Change, % (YoY)
<b>Jamaica</b>						
Windalco	507	558	-9.1%	1,066	963	10.7%
<b>Russia</b>						
North Urals	600	511	17.3%	1,111	1,071	3.8%
Timan	911	706	29.0%	1,617	1,670	-3.2%
<b>Guinea</b>						
Friguia	340	444	-23.4%	784	660	18.7%
Kindia	663	723	-8.2%	1,386	1,459	-5.0%
Dian-Dian	814	858	-5.2%	1,672	1,565	6.9%
<b>Guyana</b>						
Bauxite Company of Guyana Inc. <sup>11</sup>	—	—	—	—	81	—
<b>Total bauxite production</b>	<b>3,836</b>	<b>3,801</b>	<b>0.9%</b>	<b>7,637</b>	<b>7,469</b>	<b>2.3%</b>

## Nepheline ore production<sup>12</sup>

('000 tonnes wet)	2Q21	1Q21	Change, % (QoQ)	1H21	1H20	Change, % (YoY)
Kiya Shaltyr Nepheline Syenite	1,099	1,062	3.5%	2,161	2,264	-4.5%

<sup>11</sup> In February 2020 the Company announced the suspension of operations of bauxite business in Guyana

<sup>12</sup> Nepheline ore is used as a feedstock for alumina production at the Achinsk alumina refinery.



## JOINT VENTURE OPERATING RESULTS

('000 tonnes wet)	Interest	2Q21	1Q21	Change, % (QoQ)	1H21	1H20	Change, % (YoY)
<b>Boguchanskaya HPP</b>							
Electricity generation, mwh <sup>13</sup>	50%	4,321	5,087	-15.1%	9,409	8,843	6.4%
<b>Boguchansky aluminium smelter</b>							
Aluminium production ( '000 tonnes) <sup>14</sup>	50%	72.9	71.5	1.9%	144.5	144.7	-0.2%
<b>Bogatyr Komir and Bogatyr Trans</b>							
Coal production (Kt) <sup>15</sup>	50%	5,243	5,879	-10.8%	11,122	11,041	0.7%
Transportation volumes (Kt of transportation) <sup>16</sup>	50%	354	419	-15.5%	774	1,692	-54.3%

By virtue of the power of attorney on behalf of  
**United Company RUSAL,**  
**international public joint-stock company**  
**Aby Wong Po Ying**  
*Company Secretary*

27 July 2021

*As at the date of this announcement, the members of the Board of Directors are the following: the executive Directors are Mr. Evgenii Nikitin, Mr. Evgeny Kuryanov and Mr. Evgenii Vavilov, the non-executive Directors are Mr. Marco Musetti, Mr. Vyacheslav Solomin and Mr. Vladimir Kolmogorov, and the independent non-executive Directors are, Mr. Dmitry Vasiliev, Mr. Bernard Zonneveld (Chairman), Dr. Evgeny Shvarts, Mr. Randolph N. Reynolds, Ms. Anna Vasilenko, Mr. Kevin Parker, Mr. Christopher Burnham and Mr. Nick Jordan.*

*All announcements published by the Company are available on its website under the links <http://www.rusal.ru/en/investors/info.aspx> and <http://rusal.ru/investors/info/moex/>, respectively.*

<sup>13</sup> The energy generation volume of Boguchanskaya HPP is presented by 100% of its output (not on an ownership pro rata basis).

<sup>14</sup> The aluminium production volume of Boguchansky aluminium smelter is presented by 100% of its output (not on an ownership pro rata basis).

<sup>15</sup> The coal production volume of Bogatyr Komir is presented by 50% of its output i.e. based on an ownership pro rata basis.

<sup>16</sup> The transportation volume of Bogatyr Trans is presented by 50% of its output i.e. based on an ownership pro rata basis.