



---

**EARNINGS**

**1Q22**

---

*Conference Call*

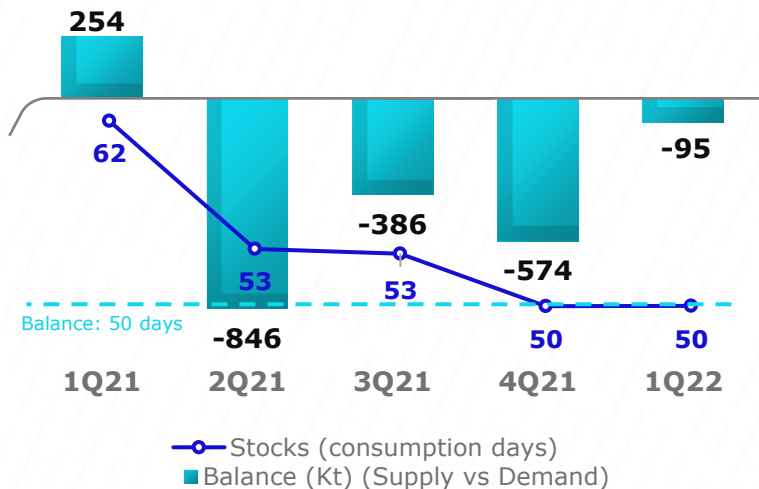
# 1Q22 highlights

- ✓ Average LME Aluminum price of **US\$3,280/t** (+44% vs. 1Q21)
- ✓ Aluminum sales volume of **109 thousand tonnes** (-9% vs. 1Q21)
- ✓ Net revenue of **R\$2.3 billion** (+28% vs. 1Q21)
- ✓ Cost of Goods Sold **R\$1.7 billion** (+29% vs. 1Q21)
- ✓ Adjusted EBITDA of **R\$552 million** (+53% vs. 1Q21) and adjusted EBITDA margin of **24%** (+4 p.p. vs. 1Q21)
- ✓ Net income of **R\$426 million** (vs. loss of R\$133 million in 1Q21)
- ✓ Leverage of **0.67x** (1.08x in 4Q21)
- ✓ **Greenhouse Gas (GHG) Emissions Inventory of 2.56 t CO<sub>2</sub>e/t** of molten aluminum, **5 times** lower than the global average
- ✓ **Secondary share offering** improving CBA's liquidity, which now has a **free-float of 32.1%**
- ✓ **Leadership-level score of "A-"** for CBA's response to the Carbon Disclosure Project's climate change questionnaire, awarded by **CDP Latin America Awards 2021**
- ✓ **Launch of Primora line** of aluminum frames for windows, doors, and facades, strengthening CBA's strategy for civil construction



# Global aluminum market remains in deficit despite a slowdown in Chinese demand

## Global Balance<sup>1</sup> (kt) - Supply vs Demand

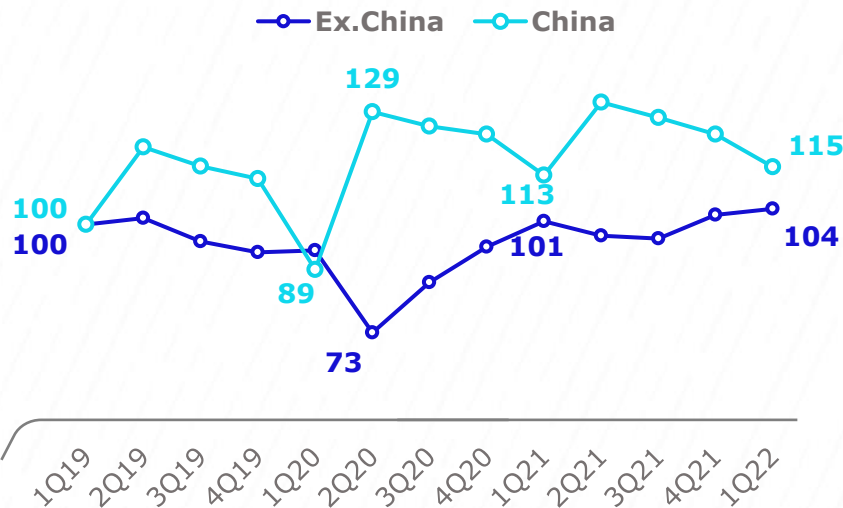


<sup>1</sup> Balance adjusted for net primary trade

**Fourth quarter out of five with a deficit. 2022 estimated balance: 1Mt deficit**

## Primary Aluminum Demand

1Q19 = 100

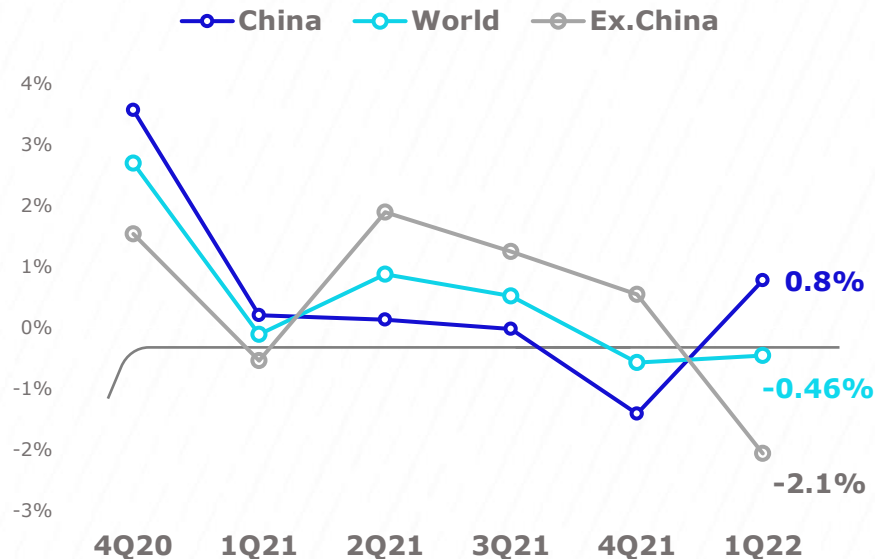


**Chinese consumption impacted by the slowdown in the construction sector and, at the end of 1Q22, also by covid-19 lockdowns**

# Global production decrease in 1Q22, mainly affected by smelter closures in Europe

## Growth in primary aluminum production

% t/t



CRU excluded from its projection the restart of smelters in Europe for 2022. About 0.8Mtpa are still closed, equivalent to ~20% of the region's capacity

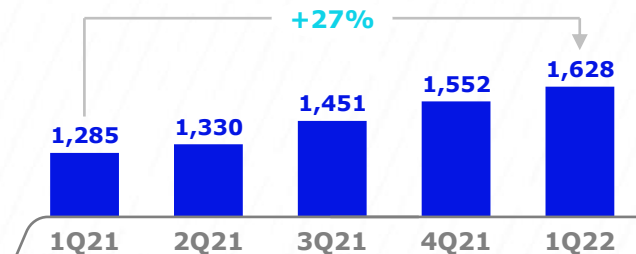


Production growth in China due to increased supply of coal for thermoelectric plants and improved hydrology in some provinces, mainly Yunnan



China has increased exports of primary and downstream aluminum products, taking advantage of favorable arbitrage and firm demand from other countries

Exports of primary and downstream aluminum products by China (kt)

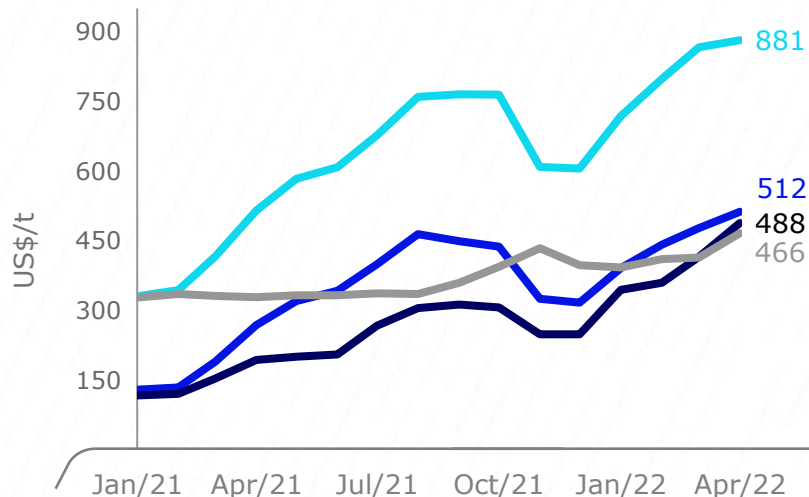


# LME Aluminum volatility in 1Q22, with regional premiums continuing in an upward trend

LME Aluminium showed volatility due to tensions in Europe and, more recently, lockdowns in China



Demand growth, low inventories and uncertainties over Russia underpin high regional premiums outside China



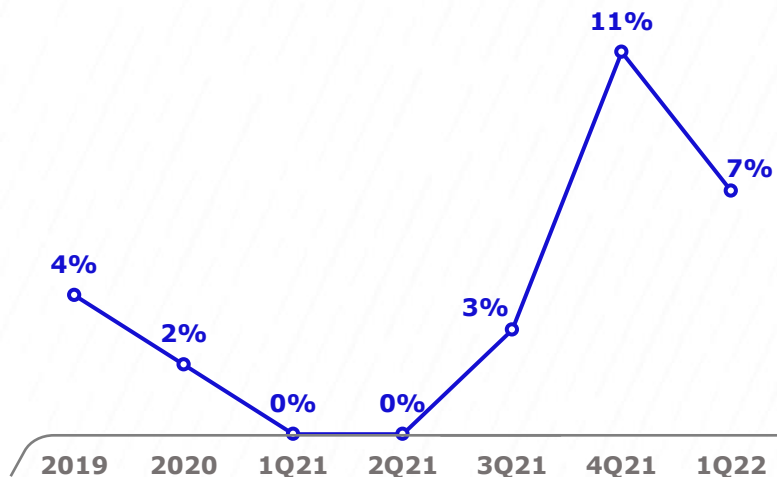
	1Q21	4Q21	1Q22
LME (US\$/t)	2,096	2,762	3,280

# High aluminum price benefits margins outside China, but cost pressure is still hitting the industry

Cost inflation led to an increase in the number of smelters operating at costs above the aluminum price

Share of global primary aluminum production with costs above the aluminum price

CRU Smelter Business Cost vs Aluminum Price

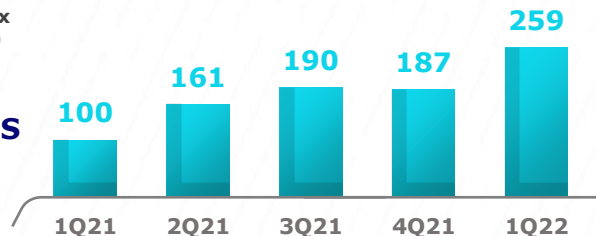


Source: CRU Aluminium cost dashboard quarterly review (Apr 2022)

Decrease in hydro power price outside China and alumina price in China benefit smelter margins

Margin Index  
(1Q21 = 100)

OTHER COUNTRIES



CRU Alumina Price  
(FOB Australia) (\$/t)

Power Price  
Hydro (\$/MWh)

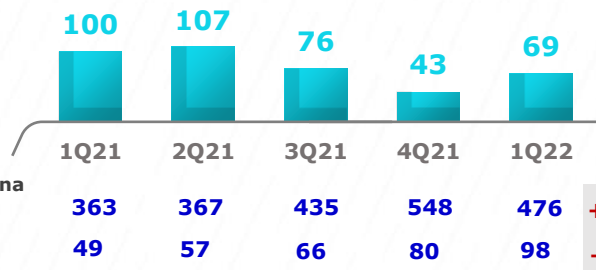
Power Price  
Other sources (\$/MWh)

	1Q21	2Q21	3Q21	4Q21	1Q22	YoY	QoQ
CRU Alumina Price (FOB Australia) (\$/t)	299	276	325	416	420	+40%	+1%
Power Price Hydro (\$/MWh)	27	28	29	41	31	+15%	-24%
Power Price Other sources (\$/MWh)	31	31	31	33	36	+16%	+7%

CHINA

CRU China Alumina  
Basket Price (\$/t)

Power Price @  
Coal (\$/MWh)



	1Q21	2Q21	3Q21	4Q21	1Q22	YoY	QoQ
CRU China Alumina Basket Price (\$/t)	363	367	435	548	476	+31%	-13%
Power Price @ Coal (\$/MWh)	49	57	66	80	98	+102%	+23%

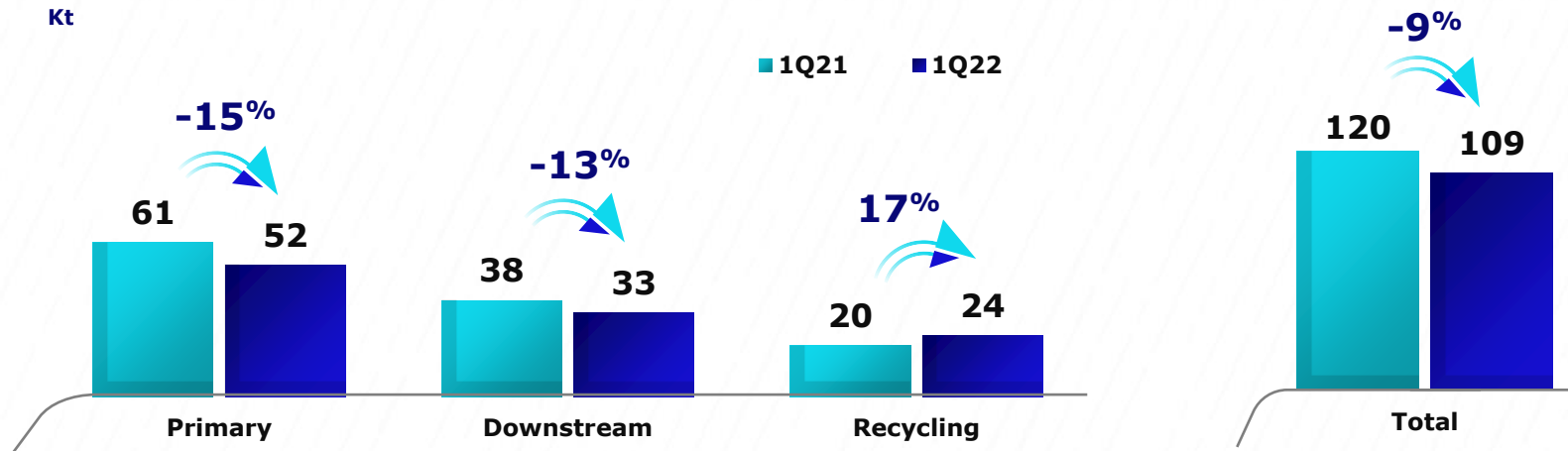




OPERATING  
AND FINANCIAL  
**PERFORMANCE**

# Recycling is a highlight in the quarter, with Alux integration

Kt



## 1Q22 highlights

**Primary:** low demand for billets and alloy ingots in the civil construction and automotive segments, respectively

**Downstream:** lower volume of sheet sold to the consumer goods sector. Despite this, CBA's packaging sales did not decrease as much as the market, and managed to gain market share in imported products, especially the core segment of flexible packaging

**Recycling:** Despite the high level of imports, CBA maintained its domestic market share by the entrance of Alux in February into a new secondary alloy market



# Robust financial performance indicators in 1Q22

Adjusted EBITDA reaches historic record, driven by higher LME and premiums

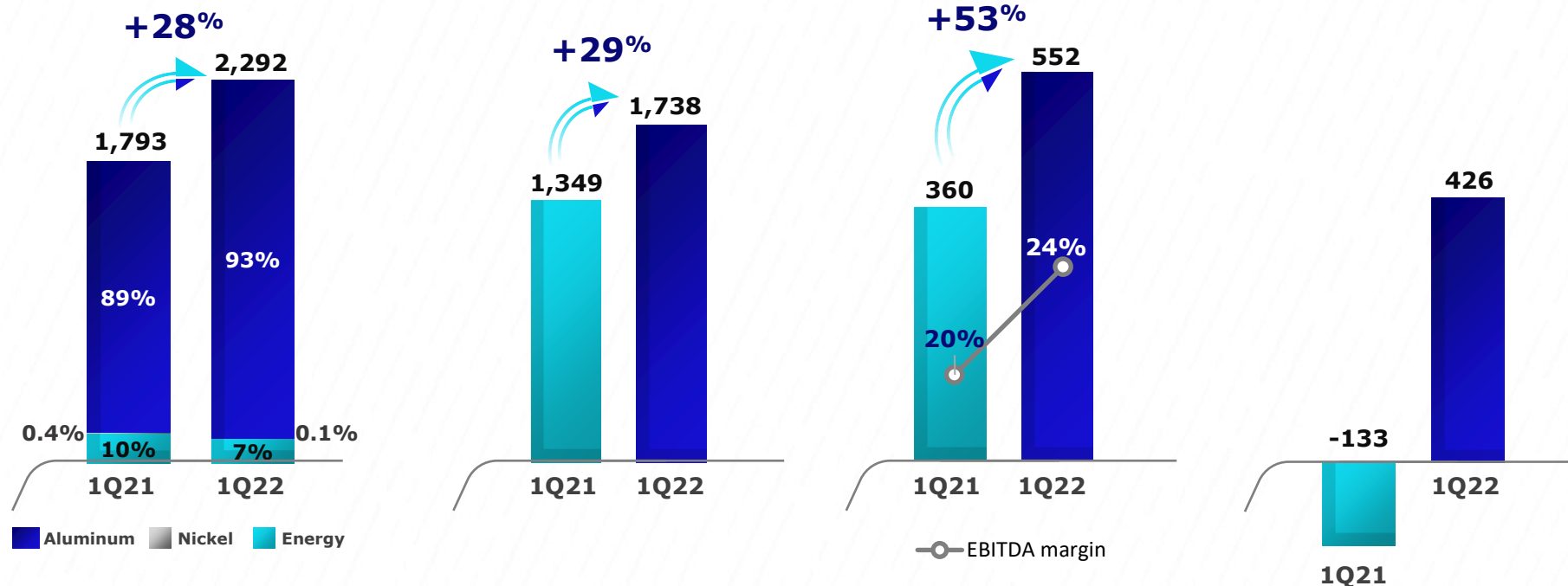
## Net Revenue

## Cost of Goods Sold

## Adjusted<sup>1</sup> EBITDA

## Net Income/Loss

R\$ million

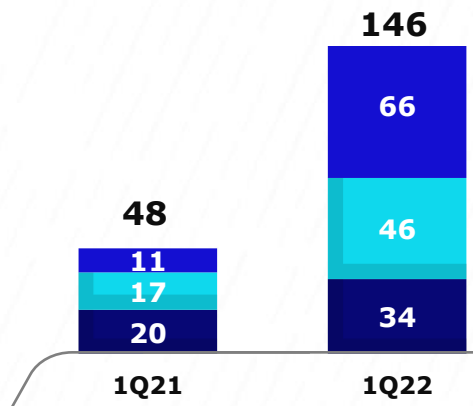


<sup>1</sup> Adjustments reflect equity income and dividends received from investees and nonrecurrent events in profit and loss, including the Market-to-Market ("MtM") of energy contracts

# Investments consistent with disbursement forecast

Accelerating expansion and modernization projects

R\$ million in cash basis



- Expansion and Modernization
- Pot relining
- Maintenance

Projects disclosed during the IPO process

## Additional primary aluminum production



- ▢ **Reconnection of Smelter 3:** 36 of 78 pots now operational, with completion forecast for 3Q22
- ▢ **Reconnection of Smelter 1:** approved at the Board of Directors, with start up scheduled for 2025

## Additional aluminum production from recycling

### Metalex:

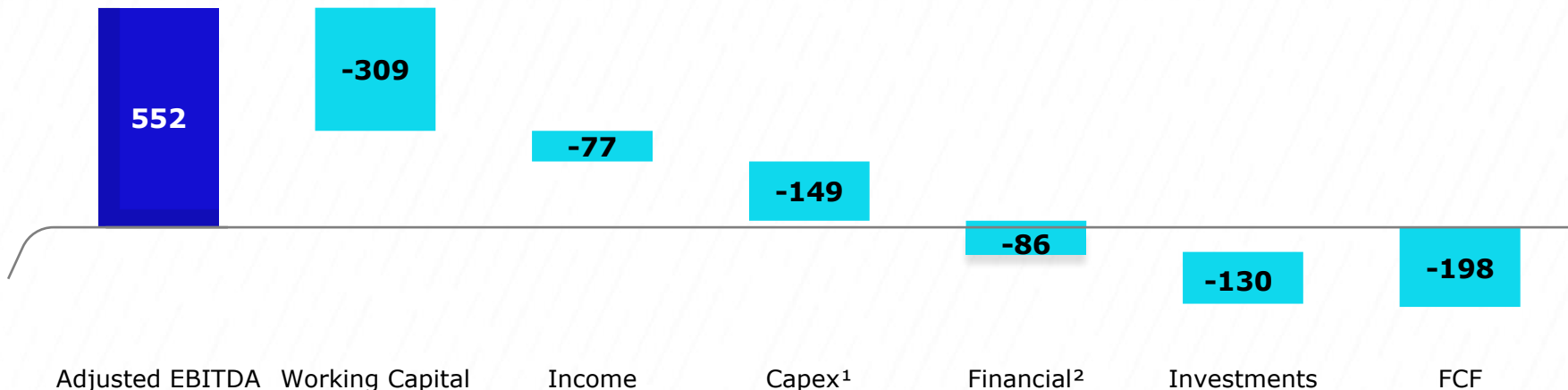
- ▢ **Sidewell furnace:** operating at full capacity
- ▢ **Scrap separation and cleaning line:** main items of equipment already procured (start up in 2023)



**ReAl:** approved for implementation, at the initial stage of procurement

# Cash Consumption for the acquisition of Alux and Capex

R\$ million



<sup>1</sup> CAPEX accrual basis <sup>2</sup> Investment interest, debt and hedge

Negative impact of **strategic hedge** of R\$174 million (R\$121 million in EBITDA and the remaining in working capital)

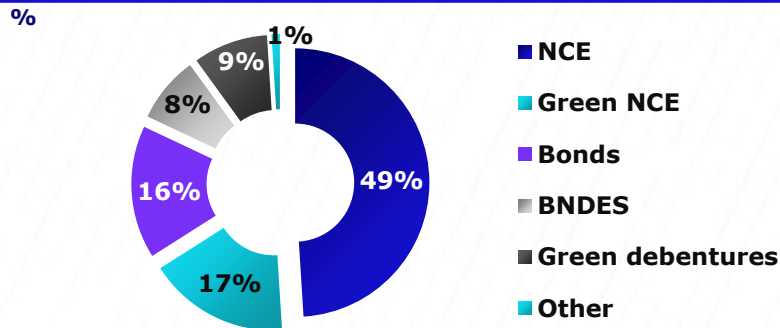
**Hedge expires in May/22. As of June 2022, this hedge will no longer impact CBA's results**

**Working capital:** main negative effect was the reduction in the supplier financing risk of R\$285 million resulting from the reduction in ingot trading activity, less attractive due to higher international premiums

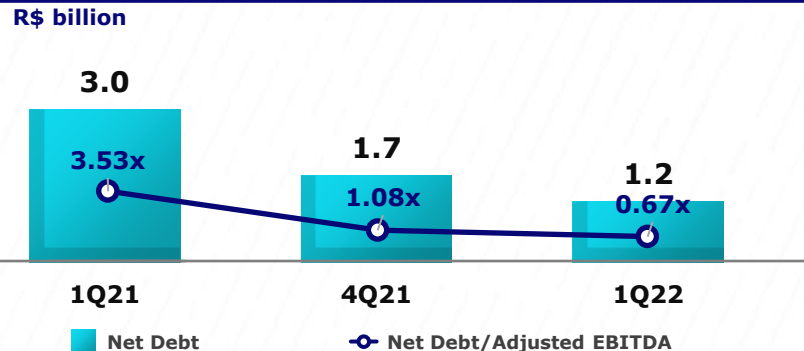
**Investments:** amount paid for the acquisition of Alux, net of cash from the acquired company

# Historical adjusted EBITDA and lower net debt reduce leverage in the quarter

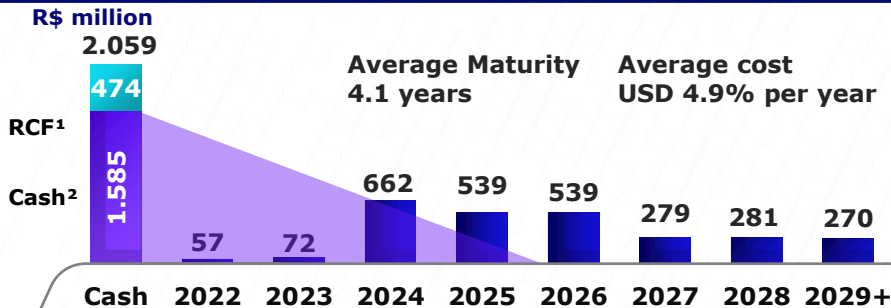
## Breakdown by Instrument



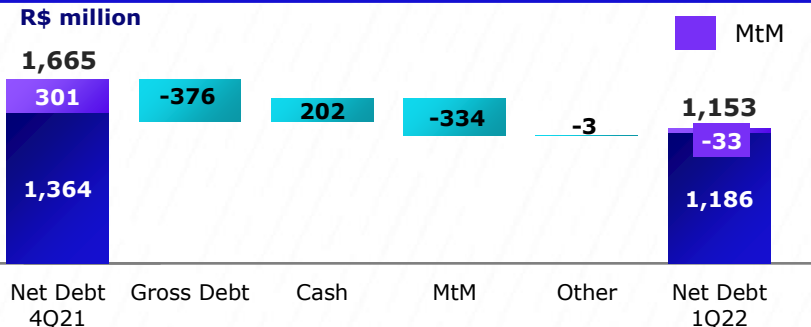
## Net Debt/ Adjusted EBITDA



## Debt Amortization Schedule



## Net Debt Evolution



<sup>1</sup> Revolving green credit facility of USD 100mm

<sup>2</sup> Includes cash, cash equivalents and financial investments



# ESG HIGHLIGHTS

# 2030 ESG Strategy– Highlights

Best practices related to emissions management and evolution in projects that enable environmental benefits

## ENVIRONMENTAL



CLIMATE CHANGE  
MANAGEMENT



CIRCULAR  
ECONOMY



NATURAL  
RESOURCES



TAILING DAM  
MANAGEMENT

SDG:



## 1Q22 highlights

CBA completed the audit on its **Greenhouse Gas (GHG) Emissions Inventory** resulting in **2.56 t CO<sub>2</sub>e/t** of molten aluminum (scope 1 and 2), **5 times** lower than the global average and lower than 2.66 t CO<sub>2</sub>e/t in 2020

**Leadership-level score of “A-”** for CBA’s response to the Carbon Disclosure Project’s climate change questionnaire, awarded by **CDP Latin America Awards 2021**



# 2030 ESG Strategy– Highlights

People-centered management sustained by high governance standards

## SOCIAL



VALUING  
PEOPLE



SOCIAL  
LEGACY



SUSTAINABLE  
VALUE CHAIN



ETHICS AND  
TRANSPARENCY



ESG  
OWNERSHIP

SDG:



CBA achieved **15.3% women** at the Company (vs. 14.3% in 4Q21)

**51 initiatives for implementation in 2022:** work in education, government support and economic development, in addition to projects such as studies into multilayer packaging and post-consumer scrap

**Sustainable Procurement Program:** 96% of strategic suppliers already undergone homologation in sustainable requirements

**ESG Ownership Program:** CBA defined Corporate ESG targets related to variable compensation for eligible members. Also completed the internal audit for ASI and ISO 14000 recertification

# Closing remarks

- Despite slowdown in global demand, **market remains in deficit** with **stocks declining**
- Volatility** in markets and **cost inflation** are still concerns for the industry as a whole
- CBA's robust financial performance**, driven by higher prices and efficient business management
- Projects keep advancing**, consolidating the Company's growth strategy
- Constant evolution on the ESG fronts**, ensuring solid foundations for the business





---

*Investor Relations*



[ri.cba.com.br](http://ri.cba.com.br)



[ri@cba.com.br](mailto:ri@cba.com.br)