

RUSAL ANNOUNCES THIRD QUARTER OPERATING RESULTS

Moscow, October 27, 2020 - RUSAL (SEHK: 486; Moscow Exchange: RUAL), a leading global aluminium producer, announces its operating results for the third quarter of 2020 (“3Q20”)

Key highlights

Aluminium

- Aluminium production¹ in 3Q20 totaled 939 thousand tonnes (+1.3% quarter-on-quarter (“QoQ”)), with Siberian smelters representing 93% of total aluminium output;
- In 3Q20, aluminium sales amounted to 1,008 thousand tonnes (up 3.3% QoQ). During this period, sales of value added products (VAP²) increased by 25.4% QoQ, to 455 thousand tonnes, demonstrating a recovery of VAP share in total sales mix to 45% in 3Q20, compared to 37% in 2Q20, that was then affected by external market drivers related to the COVID-19 pandemic;
- In 3Q20 the Company continued to successfully adjust its regional sales geography in line with existing markets conditions. While the European destination decreased in share to 37% (vs 46% in 2Q20), Asia’s and Russia&CIS’s sales grew to 32% (vs 27% in 2Q20) and 24% (vs 20% in 2Q20) respectively;
- In 3Q20, the average aluminium realized price³ increased by 6.5% QoQ to USD1,762/t. The increase was driven both by the London Metal Exchange (“LME”) QP⁴ component (+6.0% QoQ to USD 1,618/t) and average realized premium component (+12.5% QoQ to 144/t). The increase of realized premium during 3Q20 is attributed to the growth of the VAP share in product sales mix and a positive shift in VAP upcharge, reflecting the gradual recovery of the global market conditions.

Alumina

- In 3Q20, total alumina production slightly increased by 0.4% QoQ, to 2,018 thousand tonnes. The Company’s Russian operations accounted for 35% of total output.

Bauxite and nepheline ore

- In 3Q20, bauxite production decreased by 1.6% QoQ, to 3,829 thousand tonnes. This decline of output was a result of unfavorable weather conditions in Guinea and Jamaica. Nepheline production increased by 2.9% QoQ, to 1,214 thousand tonnes.

Market overview⁵

- As of the end of 9M 2020, global business recovery demonstrates positive trends, exceeding previous expectations and forecasts. As reported by J.P. Morgan Global Manufacturing PMI, global manufacturing activity rose to a 25-month high of 52.3 in September, up from 51.8 in August. New order intakes grew at the fastest rate for almost two and a half years, export business expanded for the first time in over two years and business sentiment hit the highest level since May 2018. Manufacturing expansion in Brazil,

¹ Aluminium production represented by salable products output (the number includes all facilities excluding Volgograd remelting of third parties metal).

² VAP includes alloyed ingots, slabs, billets, wire rod, wheels, high and special purity aluminium.

³ The realised price includes three components: LME component, commodity premium and VAP upcharge.

⁴ 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.

⁵ Unless otherwise stated, data for the “Market overview” section is sourced from Bloomberg, CRU, CNIA, IAI and Antaika.

India, Germany, Canada and Australia hit record highs of above the 55.0 level. This upswing trend continued for several months across all regions, signaling stabilized operating conditions. Given the unprecedented high current PMI levels we expect the industry to normalize through 2021.

- In 9M 2020, the global aluminum demand was down by 2.6% YoY to 46.7 million tonnes, improving from 6.6% decline YoY during 1H2020. The Rest of the World (“RoW”) demand contracted by 11.1% to 18.6 million tonnes, China however offset this with robust demand, demonstrating a strong growth of 3.9% to 28.1 million tonnes.
- Global aluminium production in 9M 2020 grew by 1.5% to 48.4 million tonnes, taking into account the RoW decline of 0.1% YoY to 20.9 million tonnes and the 2.8% growth YoY in China, to 27.5 million tonnes. Overall, the global market was in surplus of 1.7 million tonnes during 9M 2020.
- Operating capacity in China exceeded 38.0 million tonnes. Chinese unwrought aluminum and products exports collapsed by 18.6% YoY to 3.6 million tonnes in 9m 2020, while unwrought aluminum import during 9M 2020 amounted to 892 thousand tonnes vs 57 thousand tonnes for the same period of 2019. This shift followed a strongly negative export price arbitrage and the reduced demand overseas due to the pandemic. Thus, China is becoming an important balancing force for global aluminum industry absorbing excessive supply from the RoW markets.
- In 9M 2020, aluminium inventories at LME warehouses declined by 22 thousand tonnes to 1.45 million tonnes. LME live warrants increased to the level of 1.20 million tonnes. Chinese regional stocks were moving in a downward trend over the period April – September and fell by 1.0 million tonnes to a total of 0.66 million tonnes from its highest level this year of 1.68 million tonnes marked at the beginning of April 2020.

KEY OPERATING DATA

GROUP PRODUCTION DATA⁶

('000 tonnes)	3Q20	2Q20	Change, % (QoQ)	9M20	9M19	Change, % (YoY)
Aluminium	939	927	1.3%	2,805	2,808	-0.1%
<i>utilisation rate</i>	96%	95%	-	96%	96%	-
Aluminium foil and packaging products	26.3	24.1	10.5%	76	73	3.1%
Alumina	2,018	2,009	0.4%	6,040	5,808	4.0%
Bauxite	3,829	3,892	-1.6%	11,298	12,021	-6.0%
Nepheline	1,214	1,181	2.9%	3,478	3,170	9.7%

GROUP SALES DATA

('000 tonnes)	3Q20	2Q20	Change, % (QoQ)	9M20	9M19	Change, % (YoY)
Aluminium sales	1,008	976	3.3%	2,898	3,069	-5.6%
BOAZ ⁷	67	81	-17.0%	213	175	21.2%
Other third parties	6.4	2.7	133.9%	18.0	11.0	63.7%
Realized price, USD/t	1,762	1,654	6.5%	1,758	1,937	-9.2%
LME QP component	1,618	1,526	6.0%	1,616	1,805	-10.5%
Realised premium	144	128	12.5%	142	132	7.6%
Commodity component (100% of sales)	68	70	-2.7%	72	69	4.3%

⁶ Unless stated otherwise the production volumes are calculated based on the pro rata share of the Company's (and its subsidiaries') ownership.

⁷ “BOAZ” - Boguchansky aluminium smelter.

VAP upcharge component (100% of sales)	76	58	30.7%	70	63	10.8%
VAP upcharge over commodity (VAP products only)	167	155	8.0%	163	175	-7.1%
VAP sales in tonnes	455	363	25.4%	1,239	1,103	12.3%
Share of VAP	45%	37%	8pp	43%	36%	7pp
Sales geography, %						
Europe	37%	46%	-11pp	46%	53%	-7pp
Russia & CIS	24%	20%	4pp	22%	20%	2pp
Asia	32%	27%	4pp	25%	18%	7pp
America	7%	6%	1pp	7%	8%	-1pp
Alumina third party sales ⁸	451	376	19.9%	1,227	1,241	-1.1%
Bauxite third party sales	21	75	-72.0%	96	98	-2.5%

GROUP EXTERNAL PURCHASES DATA

('000 tonnes)	3Q20	2Q20	Change, % (QoQ)	9M20	9M19	Change, % (YoY)
Alumina ⁹	169	169	-	508	1,039	-51.1%
Bauxite	1,454	1,085	34.0%	3,620	4,560	-20.6%

ALUMINIUM PRODUCTION

('000 tonnes)	3Q20	2Q20	Change, % (QoQ)	9M20	9M19	Change, % (YoY)
Russia (Siberia)						
Bratsk aluminium smelter	252	249	1.0%	752	754	-0.3%
Krasnoyarsk aluminium smelter	255	253	0.7%	763	760	0.4%
Sayanogorsk aluminium smelter	127	133	-4.5%	396	402	-1.5%
Novokuznetsk aluminium smelter	53.8	53.3	1.0%	160.7	160.8	-0.1%
Irkutsk aluminium smelter	106	103	2.8%	315	316	-0.2%
Khakas aluminium smelter	81	71	13.2%	227	219	3.8%
Russia — Other						
Volgograd aluminium smelter	17.5	17.4	0.4%	52.3	52.1	0.3%
Kandalaksha aluminium smelter	17.2	17.9	-3.9%	53.2	54.2	-1.7%
Sweden						
Kubikenborg Aluminium (KUBAL)	29.4	27.6	6.4%	86.5	91.1	-5.1%
Total production¹⁰	939	927	1.3%	2,805	2,808	-0.1%

⁸ Alumina third party sales excluding swaps.

⁹ Alumina external purchase data excluding swaps.

¹⁰ 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).

Foil and packaging production results

('000 tonnes)	3Q20	2Q20	Change, % (QoQ)	9M20	9M19	Change, % (YoY)
Russia						
Sayanal	9.3	9.0	4.2%	26.9	29.7	-9.4%
Ural Foil	7.0	5.4	27.5%	18.7	17.6	6.2%
Sayana Foil	1.3	1.1	19.5%	3.6	2.9	26.4%
Armenia						
Armenal	9.0	8.6	5.2%	26.5	23.2	13.9%
Total production	26.6	24.1	10.5%	75.7	73.4	3.1%

Other aluminium products output and silicon output

('000 tonnes)	3Q20	2Q20	Change, % (QoQ)	9M20	9M19	Change, % (YoY)
Secondary alloys	5.6	3.5	61.7%	13.1	12.0	9.1%
Silicon	6.4	6.6	-2.3%	20.7	38.3	-45.9%
Powder	4.9	5.9	-15.9%	16.8	17.6	-4.5%
Wheels ('000 units)	442	412	7.3%	1,444	2,339	-38.3%

ALUMINA PRODUCTION

('000 tonnes)	3Q20	2Q20	Change, % (QoQ)	9M20	9M19	Change, % (YoY)
Ireland						
Aughinish Alumina	456	463	-1.5%	1,395	1,424	-1.9
Jamaica						
Windalco	123	133	-7.9%	392	338	15.9%
Ukraine						
Nikolaev Alumina Refinery	442	409	7.9%	1,266	1,247	1.5%
Russia						
Bogoslovsk Alumina Refinery	248	258	-3.7%	745	764	-2.4%
Achinsk Alumina Refinery	228	214	6.8%	670	599	11.9%
Urals Alumina Refinery	227	231	-1.7%	686	683	0.4%
Guinea						
Friguia Alumina Refinery	104.1	121.8	-14.5%	338	242	39.5%
Australia (JV)						
Queensland Alumina Ltd ¹¹	191	180	5.8%	548	511	7.2%
Total alumina production	2,018	2,009	0.4%	6,040	5,808	4.0%

¹¹ 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)	3Q20	2Q20	Change, % (QoQ)	9M20	9M19	Change, % (YoY)
Jamaica						
Windalco	432	486	-11.0%	1,395	1,427	-2.3%
Russia						
North Urals	632	582	8.7%	1,703	1,758	-3.2%
Timan	1,045	967	8.0%	2,715	2,568	5.7%
Guinea						
Friguia	381	334	14.1%	1,041	921	13.1%
Kindia	726	756	-3.9%	2,186	2,307	-5.3%
Dian-Dian	613	768	-20.2%	2,178	2,031	7.2%
Guyana						
Bauxite Company of Guyana Inc. ¹²	-	-	-	81	1,009	-91.9%
Total bauxite production	3,829	3,892	-1.6%	11,298	12,021	-6.0%

Nepheline ore production¹³

('000 tonnes wet)	3Q20	2Q20	Change, % (QoQ)	9M20	9M19	Change, % (YoY)
Kiya Shaltyr Nepheline Syenite	1,214	1,181	2.9%	3,478	3,170	9.7%

JOINT VENTURE OPERATING RESULTS

('000 tonnes wet)	Interest	3Q20	2Q20	Change, % (QoQ)	9M20	9M19	Change, % (YoY)
Boguchanskaya HPP							
Electricity generation, mwh ¹⁴	50%	2,895	4,207	-31.2%	11,737	11,785	-0.4%
Boguchansk aluminium smelter							
Aluminium production ('000 tonnes) ¹⁵	50%	72.8	72.5	0.4%	218	185	17.7%

¹² In February 2020 the Company announced the suspension of operations of bauxite business in Guyana

¹³ Nepheline ore is used as a feedstock for alumina production at the Achinsk alumina refinery.

¹⁴ The energy generation volume of Boguchanskaya HPP is presented by 100% of its output (not on an ownership pro rata basis).

¹⁵ The aluminium production volume of Boguchanskiy aluminium smelter is presented by 100% of its output (not on an ownership pro rata basis).

**Bogatyr Komir and
Bogatyr Trans**

Coal production (Kt) ¹⁶	50%	4,583	4,857	-5.6%	15,625	16,086	-2.9%
Transportation volumes (Kt of transportation) ¹⁷	50%	587	824	-28.7%	2,280	3,000	-24.0%

Forward-looking statements

This press-release contains statements about future events, projections, forecasts and expectations that are forward-looking statements. Any statement in this announcement that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks and uncertainties include those discussed or identified in the prospectus for RUSAL. In addition, past performance of RUSAL cannot be relied on as a guide to future performance. RUSAL makes no representation on the accuracy and completeness of any of the forward-looking statements, and, except as may be required by applicable law, assumes no obligations to supplement, amend, update or revise any such statements or any opinion expressed to reflect actual results, changes in assumptions or in RUSAL's expectations or changes in factors affecting these statements. Accordingly, any reliance you place on such forward-looking statements will be at your sole risk.

About RUSAL

RUSAL (www.rusal.ru) is the leader of the global aluminium industry. In 2019, the Company accounted for about 5.9% of global production of aluminium and 6.3% of alumina production. RUSAL's offices are operating in 20 countries all over the world and across 5 continents. RUSAL common stock is traded at the Hong Kong Stock Exchange (trade code – 486). RUSAL's ordinary shares are traded on the Moscow Exchange (trade code is: RUAL).

Disclaimer

The information contained in this press release is for media advice only. The contents are true and accurate at the time of publishing, however, may change over time.

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¹⁶ The coal production volume of Bogatyr Komir is presented by 50% of its output i.e. based on an ownership pro rata basis.

¹⁷ The transportation volume of Bogatyr Trans is presented by 50% of its output i.e. based on an ownership pro rata basis.