



# First quarter 2021 Presentation

April 2021







# Stronger markets and record results for Energy and Extrusions

Hilde Merete Aasheim, President & CEO

April 27, 2021



# Q1 2021

Adjusted EBITDA NOK 5 182 million

Free cash flow NOK -0.8 billion

Strong demand drives recovery

Record EBITDA in Extrusions and Energy

Improvement program ahead of plan

Agreement to sell Rolling, closing expected Q2-Q3

Investment decision for Alunorte fuel-switch project

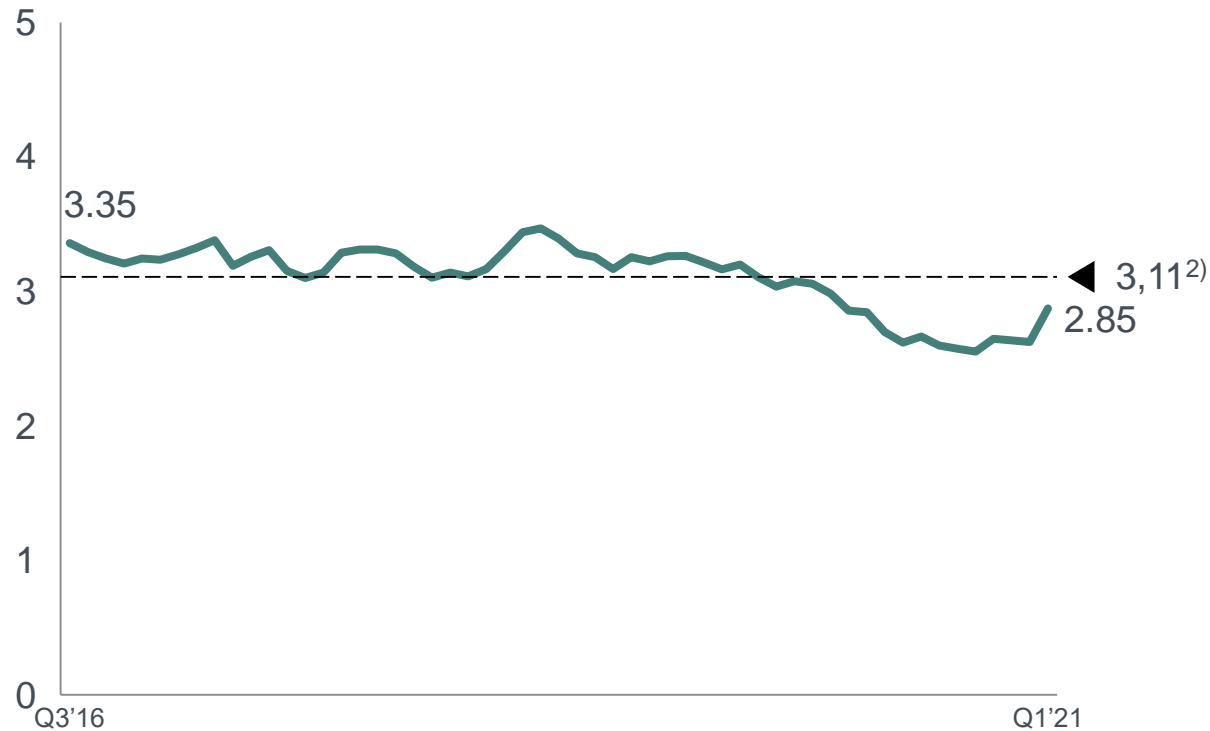
Exploring hydrogen, other growth initiatives progressing



# Health and safety top priority

Covid measures adapted to local conditions

TRI<sup>1)</sup> per million hours worked  
12 months rolling average



1) TRI includes own employees and contractors  
2) Average over period



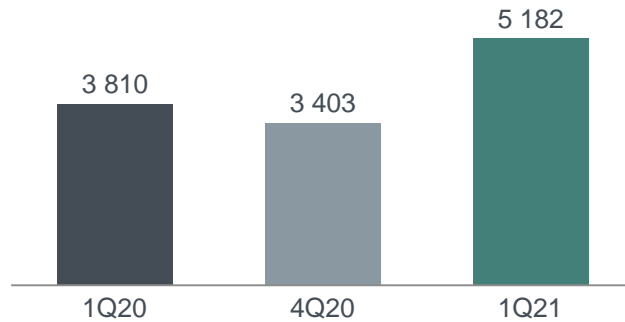
## Covid-19 update

- Operations running largely as normal during the quarter
- Initiatives globally to support employees and prevent infections
- Support to local Brazilian communities in their health efforts

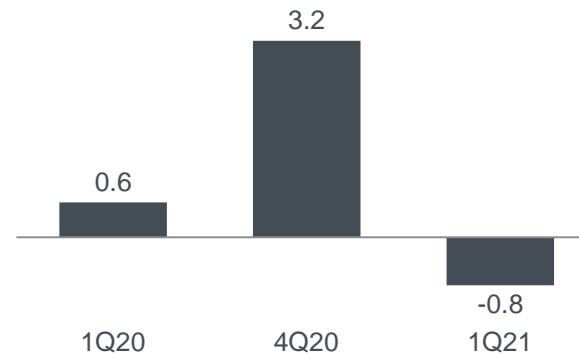
# Key performance metrics | Q1 2021



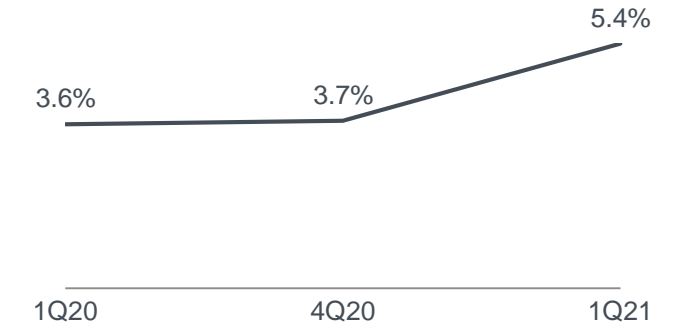
Adjusted EBITDA <sup>1)</sup>  
NOK million



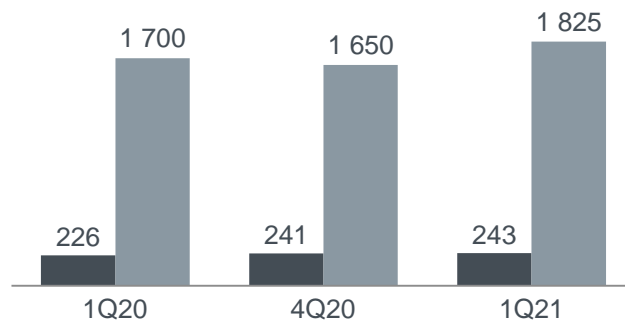
Free cash flow <sup>2)</sup>  
NOK billion



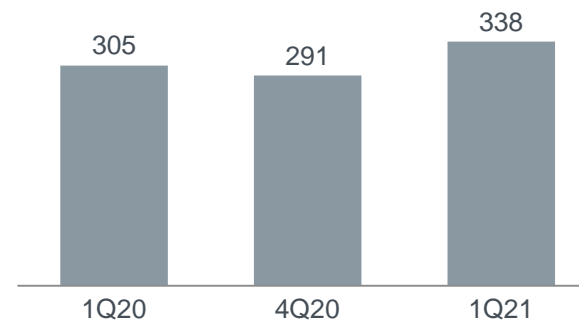
Adjusted RoaCE <sup>5)</sup>  
12-month rolling %



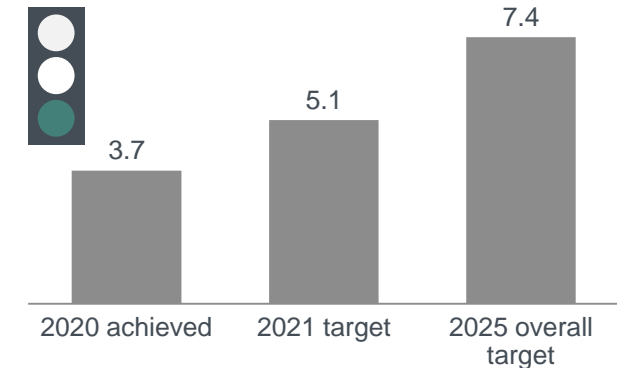
Upstream costs <sup>3,4)</sup>  
USD per tonne



Extrusions volumes  
Thousand tonnes



Improvement program status <sup>6)</sup>  
NOK billions



■ Bauxite & Alumina ■ Aluminium Metal

- 1) 2020: restated Adjusted EBITDA
- 2) Free cash flow is defined as net cash provided by (used in) operating activities of continuing operations plus net cash provided by (used in) investing activities of continuing operations, adjusted for purchases of / proceeds from sales of short-term investments (2020: restated cash flow statement)
- 3) Realized alumina price minus Adjusted EBITDA for B&A, per mt alumina sales
- 4) Realized all-in aluminium price less Adjusted EBITDA margin, incl Qatalum, per mt aluminium sold. Implied primary cost and margin rounded to nearest USD 25
- 5) Figures for 1Q20 and 4Q20 as reported (not restated). 1Q21: Capital employed excluding Assets held for sale / Liabilities in disposal groups.
- 6) Improvement program target and progress excluding Hydro Rolling

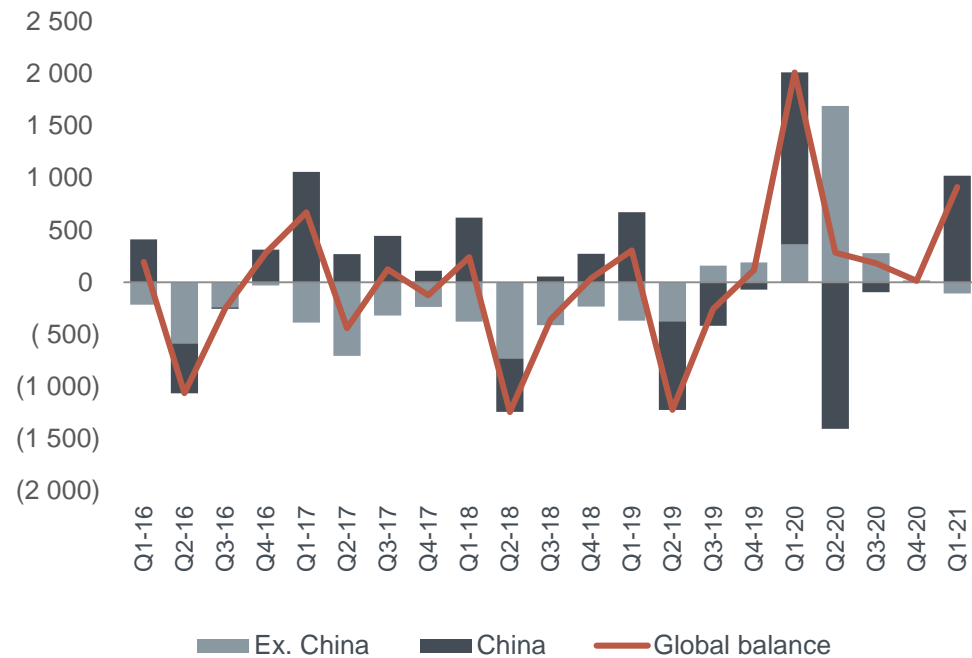
# Decreasing oversupply in primary aluminium market



Expecting largely balanced market for 2021

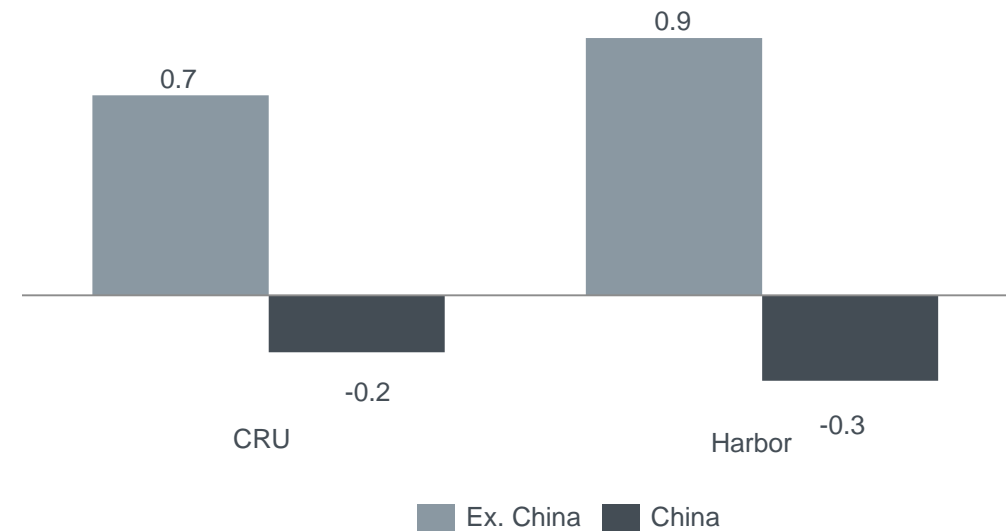
Quarterly market balances, world ex. China and China

Thousand tonnes, primary aluminium



Global balance estimates 2021

Million tonnes, primary aluminium





# Trends supporting demand for low-carbon aluminium

## Strengthened trends

- Restrictions on supply growth, especially in China, reduce risk of sustained over-capacity next decade
- Increasing and likely sustained focus on fair trade
- Focus on ESG could phase significant upside for green products

## New trends

- Green transition in major regions requires more aluminium, e.g., higher aluminium content in EVs
- Increasing cost of supply towards next decade due to new projects with higher capex based on hydropower
- Higher end-product adaption of aluminium due to recyclability
- Primary aluminum based on renewable power will qualify under the EU taxonomy criteria
  - No thresholds have been included for recycling. All secondary aluminium is taxonomy compliant.



# Extrusions Q1 volumes exceeded overall market growth



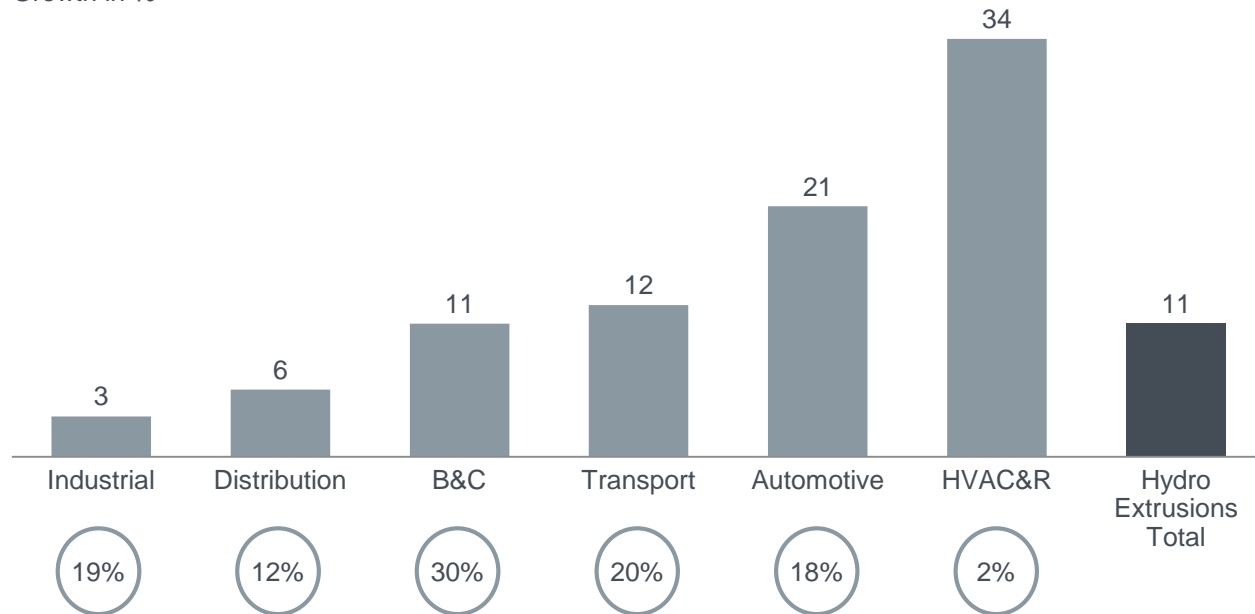
Market performing better than forecast in Q4 2020

## Hydro Extrusions sales volumes - actual

Q1 2021 vs Q1 2020

Hydro Extrusions segment sales volume

Growth in %



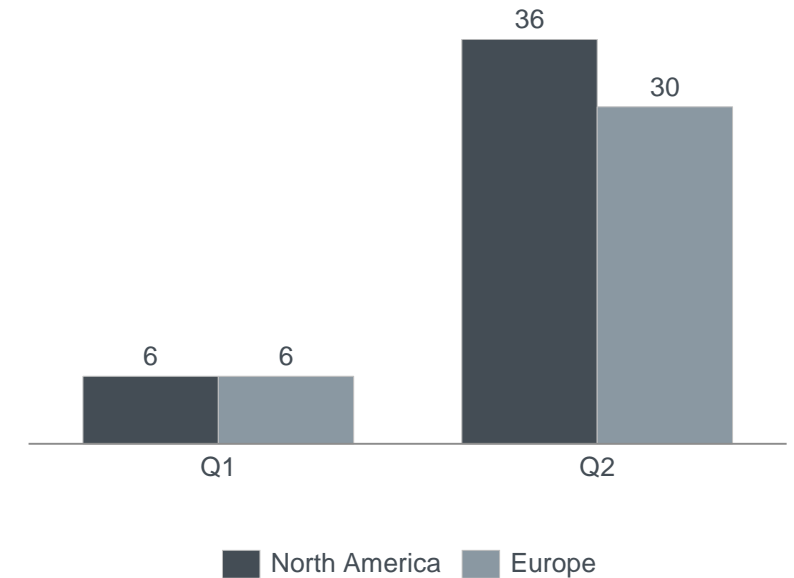
○ Share of Q1 2021 Hydro Extrusions sales

## External market forecasts

2021 vs 2020

Extrusion market growth per quarter

Growth in %



Source: CRU



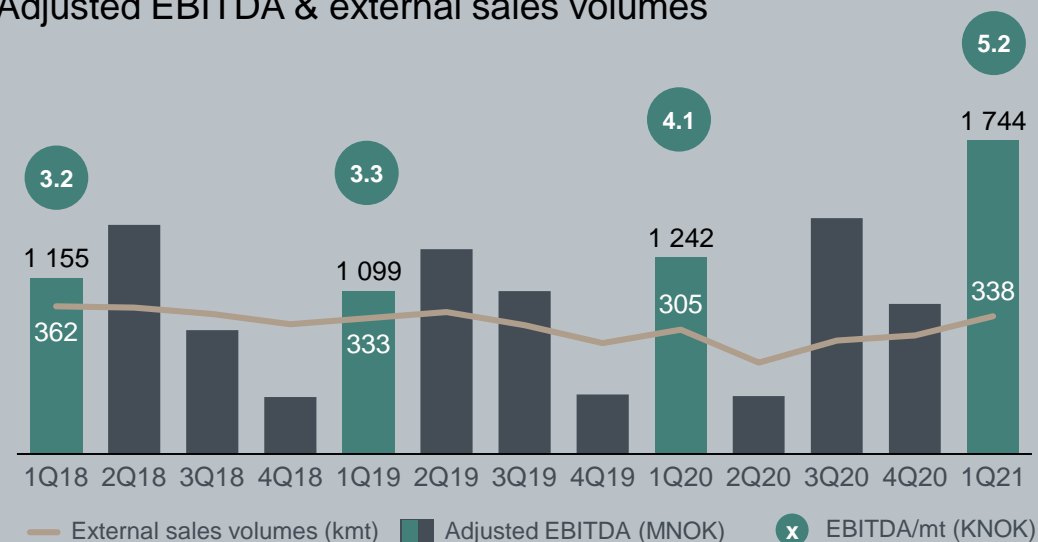
# Record quarter in Extrusions

Improved market share during Q1

- Adjusted EBITDA in Q1 was NOK 1 744 million, an increase of NOK 502 million compared to last year
  - EBITDA margin for Q1 at 10.7%
- All market segments currently showing strong demand, impacting both volumes and margins
  - Strong rebound in automotive in Europe, solid growth for industrial segment and residential building & constructions
  - Improving orders for commercial transport segment in North America, with trailer industry bookings increasing strongly
  - Strong demand for Hydro REDUXA
- Higher margins supported by improved utilization in European plants, and savings from improvement programs related to SG&A costs, procurement and restructuring
- High production levels at recycling units
  - Important source of metal amid tight billet markets
- Strong momentum into Q2 from key segments including transport and automotive



Adjusted EBITDA & external sales volumes

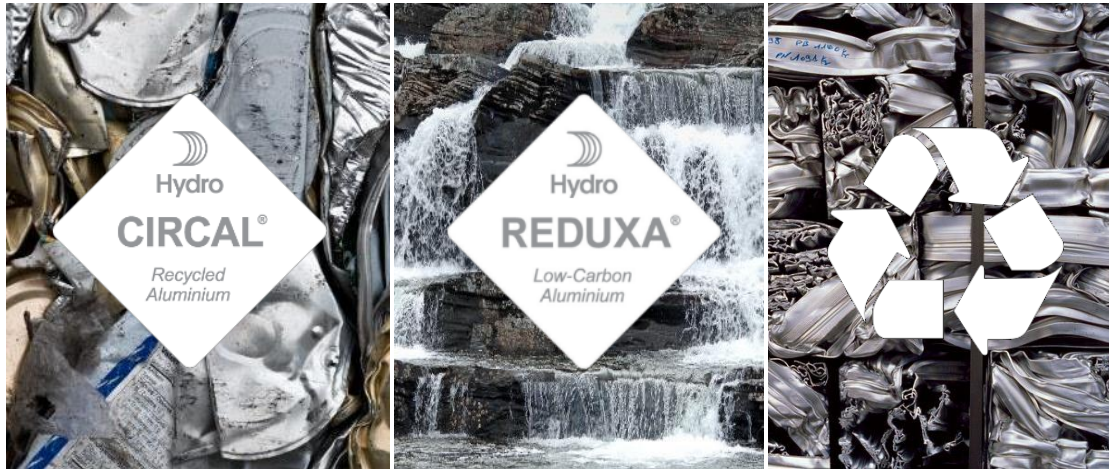


# Delivering on our Hydro 2025 strategy

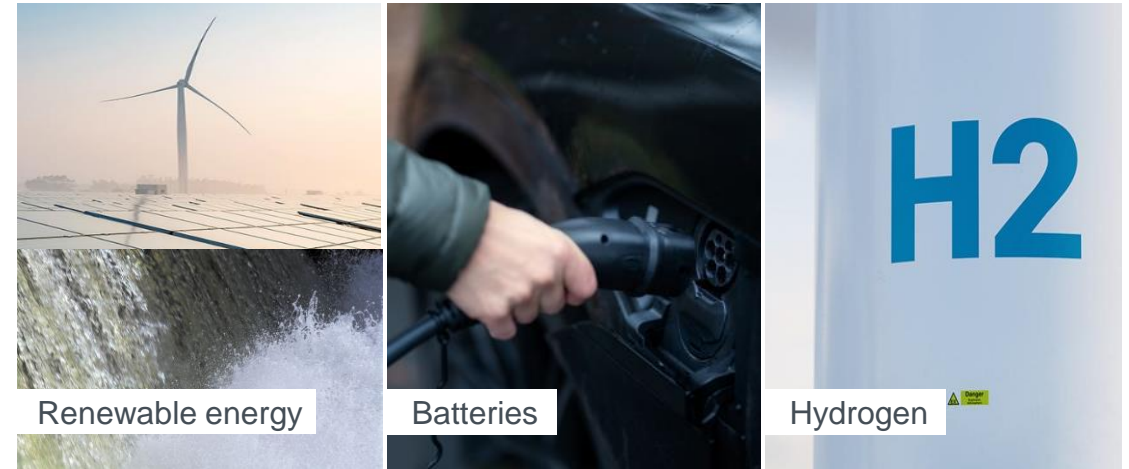


Seizing opportunities where our capabilities match megatrends

## 1 Strengthen position in low-carbon aluminium



## 2 Diversify and grow in new energy



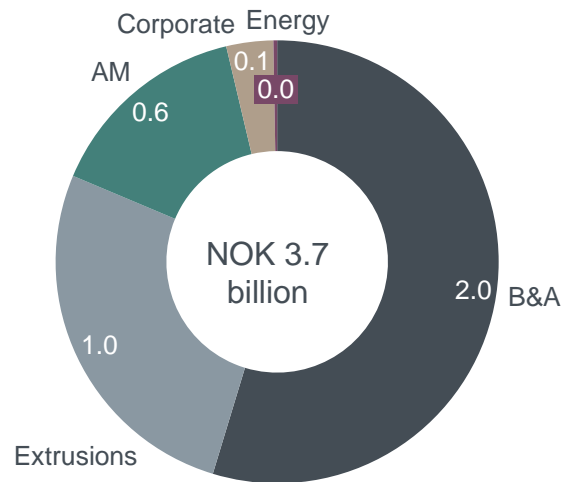
Profitability & Sustainability

# Improvement program ahead of plan

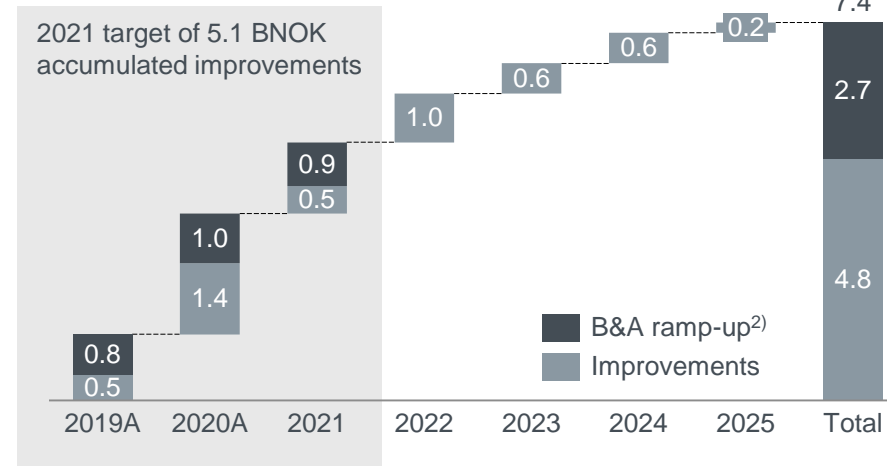
New improvement target of NOK 7.4 billion by 2025 and commercial ambition of NOK 1.5 billion adjusted for Rolling<sup>1)</sup>

## Improvement program

2020 accumulated improvement  
NOK billion

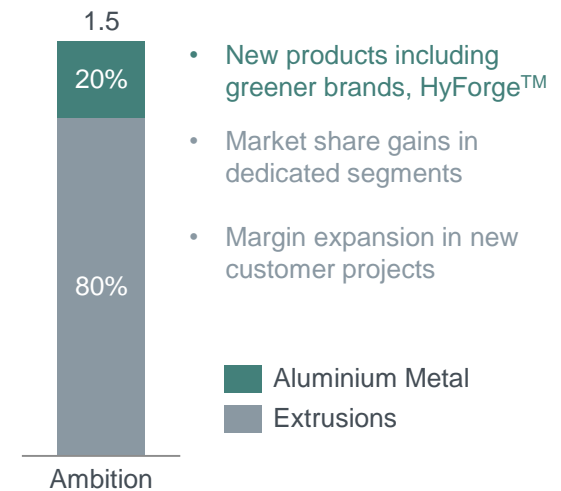


2025 accumulated improvement potential by year  
NOK billion



## Commercial ambition

Additional NOK 1.5 billion in market and customer growth opportunities by 2025



1) Achieved NOK 0.5 billion of 1.1 billion 2025 target by 2020, and represented a commercial ambition of NOK 0.5 billion  
 2) Alunorte and Paragominas ramp-up to full nameplate capacity



# Strong demand for low-carbon aluminium



## Google Hudson Square in Hydro REDUXA facade...



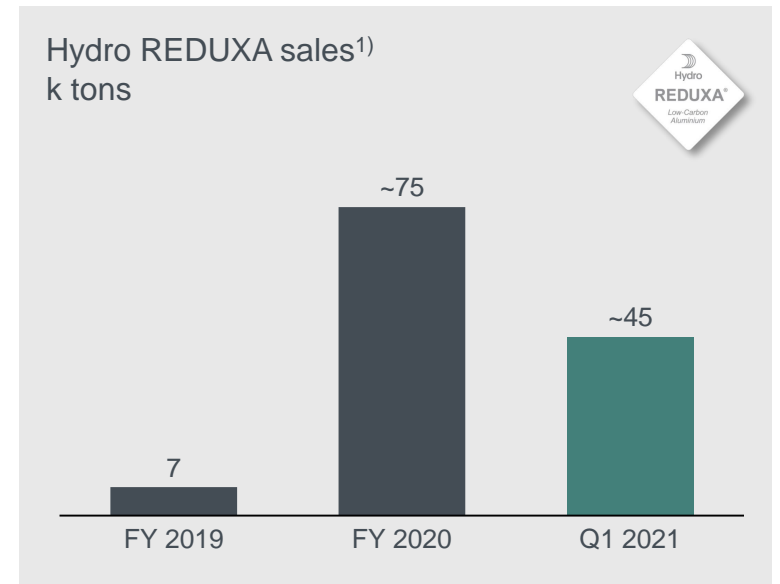
- 450 tonnes of Hydro REDUXA
- 1.3 million square feet office space

## ... produced at Hydro's Sunndal plant in Norway



- Hydro REDUXA capacity of ~415 kt, ~20% of Hydro total

## Strong Q1 sales for Hydro REDUXA



- Increased Hydro REDUXA demand in Q1

# Sustainability agenda progressing in key areas



## Social responsibility

On track towards target to educate 500,000 by end-2030, strengthening partners and local communities



Empowering 500,000 people with education and skills development by end-2030



## Environment

Tailings Dry Backfill<sup>1)</sup> represents the end of new facilities for storage of bauxite tailings with CAPEX reductions of BRL ~2 billion<sup>2)</sup>



Rehabilitate mined out areas within two years<sup>3)</sup>



## Climate

Important progress towards target to cut CO<sub>2</sub> emissions by 30% by 2030



Move towards net zero emissions 2050



1) Tailings dry backfill at Paragominas mine

2) Capex savings refer to 10-15-year period. Savings reflected in capex forecast from CMD December 2020.

3) Rolling rehabilitation target, aiming to begin rehabilitation of all available mined areas within two hydrological seasons after release from operations



# Investment decision for Alunorte fuel-switch project

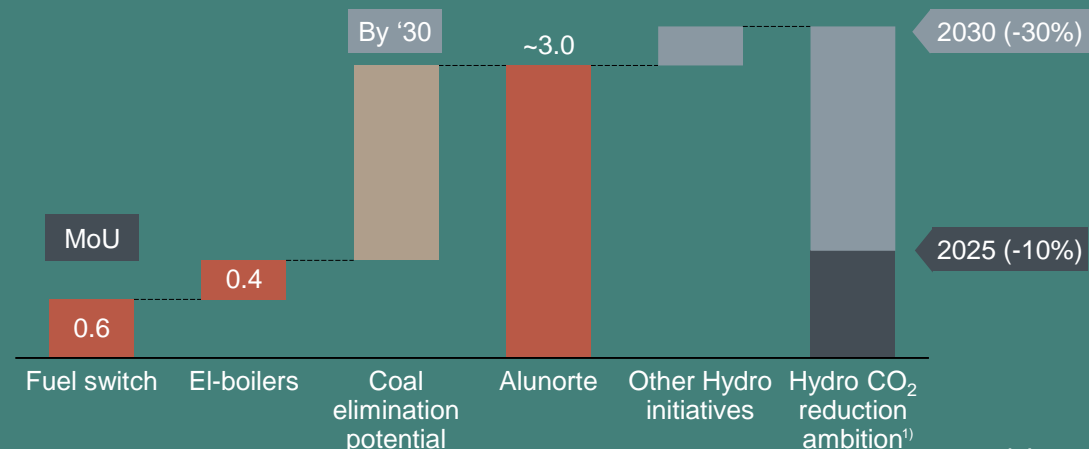
## Main enabler to deliver on 2025 CO<sub>2</sub> reduction ambition

- Unlocking potential of 600,000 tonnes of CO<sub>2</sub> reduction by replacing heavy fuel oil with liquid natural gas
  - MoU<sup>2)</sup> signed with New Fortress Energy to deliver natural gas to Alunorte
  - Expected CAPEX of BRL 1.1 billion
  - Key enabler to meet the CO<sub>2</sub> reduction ambition of 10% by 2025
  - Enabler for other LNG installations in the region of Pará
- Installation of three electrical boilers replacing coal with potential of 400 thousand tonnes of CO<sub>2</sub> emissions
  - Pilot installation planned in 2021
- Elimination of coal by electrifying remaining boilers have a potential of 2 million tonnes of CO<sub>2</sub> reduction by 2030



## Accumulated CO<sub>2</sub> effects and overall reduction ambitions

Own emissions in million mt CO<sub>2</sub>



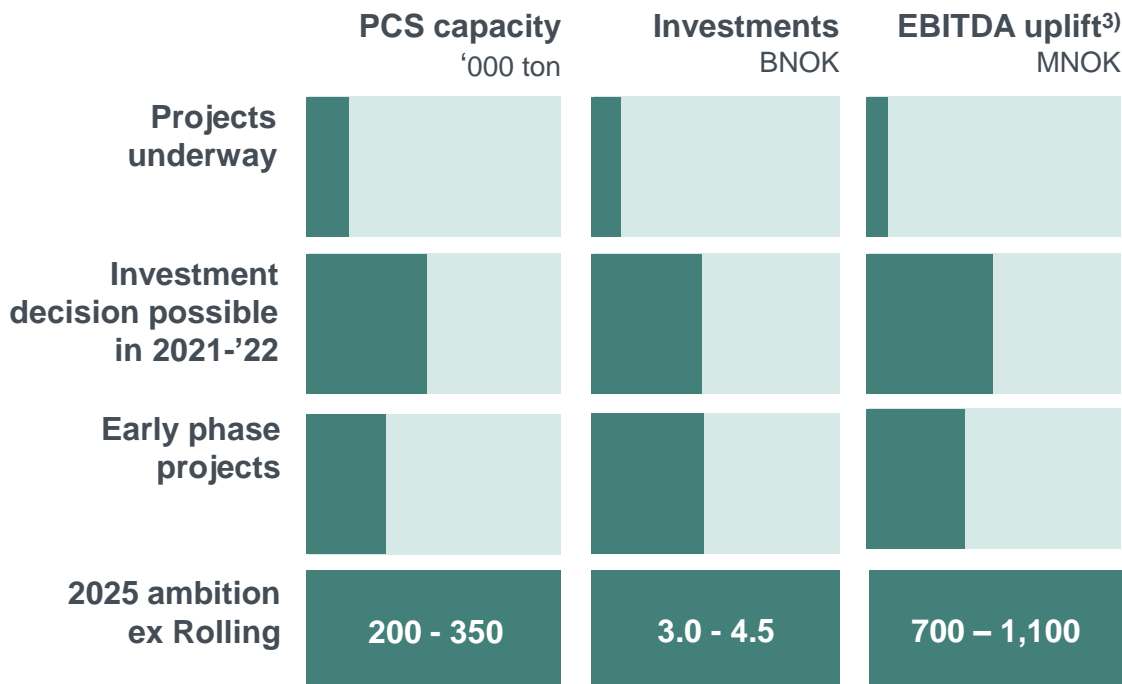
- Fuel switch enabling Hydro REDUXA 3.0
- EI boilers required for Hydro REDUXA 2.0

1) Based on 2018 portfolio excluding Rolling, by 2025 10% reduction and by 2030 30% reduction  
 2) The proposed agreement is subject to reaching commercial agreements and final documentation between the parties



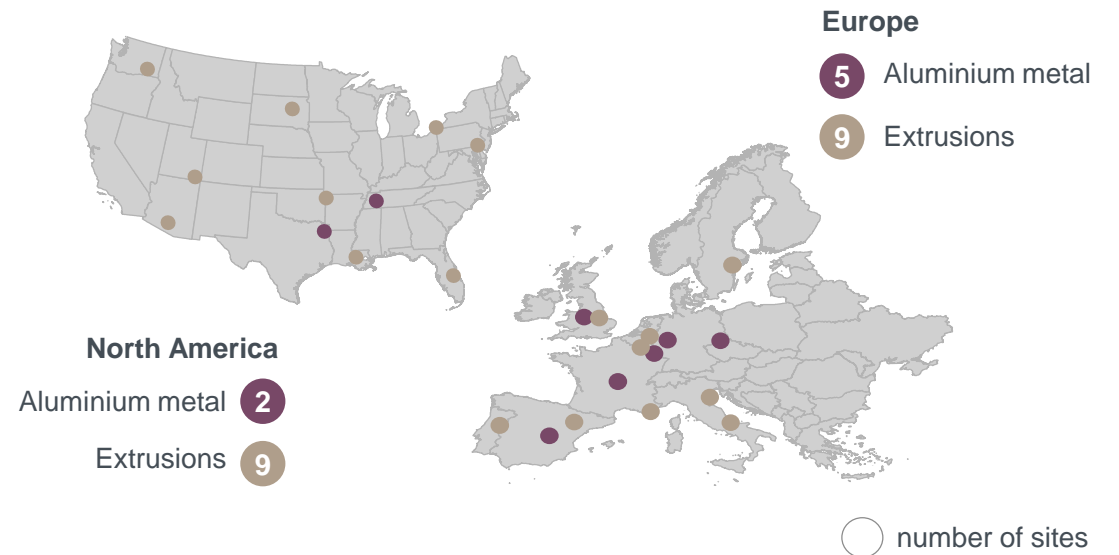
# Projects under way to meet recycling ambition<sup>1)</sup>

Double post-consumer scrap (PCS)<sup>2)</sup> use by 2025



## ~2 Mt recycling capacity currently in operation

25 recyclers and 1 sorting plant



1) Ambition across Hydro Extrusion and Aluminium Metal. Rolling excluded in all numbers.

2) Post-consumer scrap (PCS): scrap from products that have been in use, e.g., cars, buildings reaching end of life.

3) Recycling is an integrated part of the BAs' value creation and is reported as part of the BAs' total financial results. EBITDA uplift also driven by e.g., utilizing pre-consumed low-priced, complex scrap types. Pre-consumer scrap: internal or customer's/external process scrap.

# Expanding energy growth portfolio to hydrogen

## Hydro REIN established



### Milestones

- 1GW investment decisions 2021
- Equity raise to be evaluated

## Extensive batteries pipeline with two investments in operations



### 2025 ambition

- NOK 2.5-3.0 billion investments
- Pro rata EBITDA MNOK 600-700

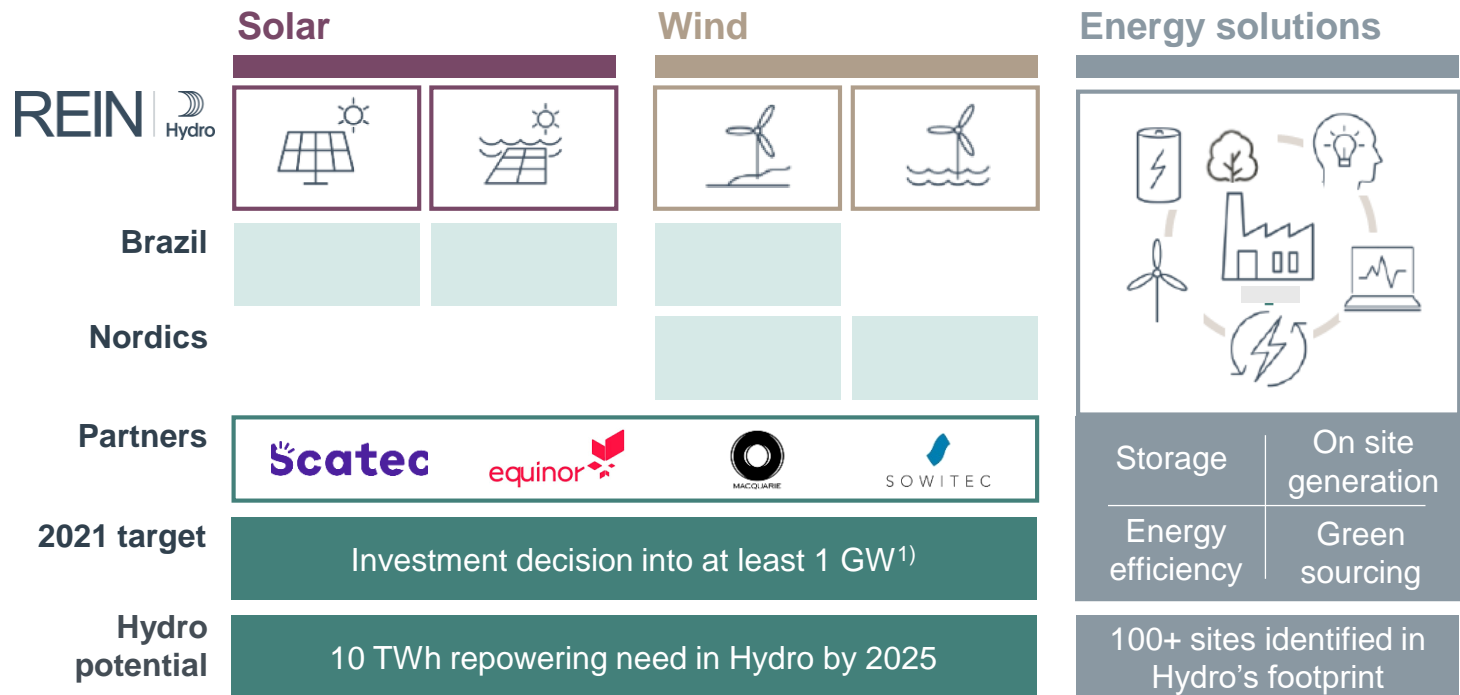
## Exploring hydrogen opportunities



### Strategy

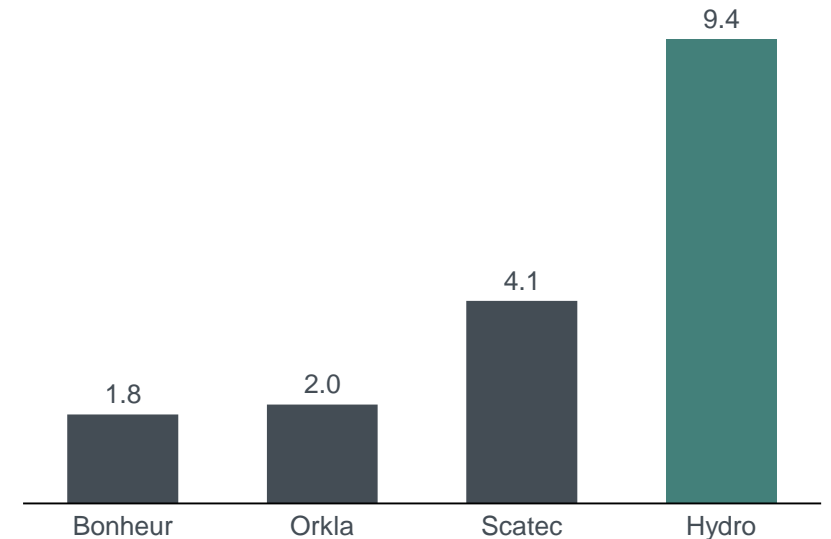
- Explore hydrogen potential
- Equity raise to be evaluated

# Hydro REIN - Developing new renewable assets to serve industrial partners with competitive power



## Building on 100+ years of experience

Hydro normal annual production vs OSE listed peers TWh



1) 100% basis, average ownership 30 – 50% pre potential farm-down



# Investing across the batteries value chain

Construction phase projects expected to be in operations within 2021-22

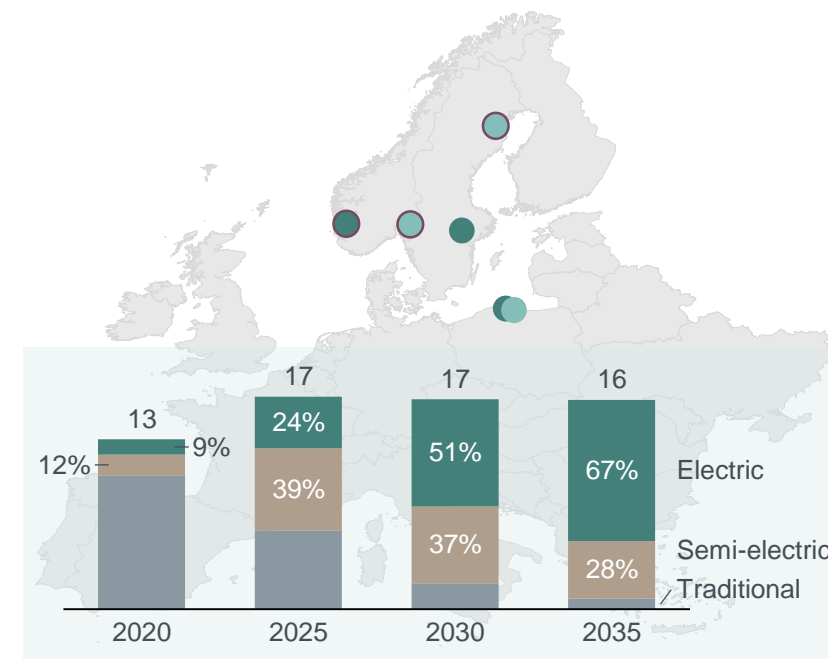
		Hydro ownership	Cell production capacity	System production capacity	Recycling capacity
Operations	<b>northvolt</b> Labs Jeden	1%	350 MWh	200 MWh	
	<b>Corvus Energy</b>	21%		400 MWh <sup>3)</sup>	
Construction SOP 2021-22	<b>northvolt</b>	1%	32 GWh	5 GWh	
	<b>hydrovolt</b> <sup>1)</sup>	50%			8.000 ton
MoU, FID <sup>4)</sup> & Early phase	<b>Panasonic equinor</b> Hydro <sup>2)</sup>	TBD	Giga Plant		
	Other early phase projects evaluated				

● Exploring growth options

- 1) 50/50 Joint Venture with Northvolt
- 2) Joint Battery Initiative (JBI)
- 3) Capacity at Norwegian plant
- 4) Final Investment Decision (FID)

## Attractive positioning in the Nordics

European total car sales projection (million) and locations



Electric inc BEV, PHEV, Semi-electric inc. HEV, MHEV, Traditional pure Diesel and Gasoline. Source: BCG

# Large potential for hydrogen at Hydro's plants

- There is large hydrogen potential from industrial heating in the Hydro portfolio - approx. 4GW hydrogen production equivalent
- Conversion to hydrogen can give approx. 1 000 000<sup>1)</sup> t CO<sub>2</sub> emission reduction
- Norwegian gas consumption equals to ~120MW of hydrogen production capacity
- A hydrogen business can leverage Hydro's large global footprint of industrial assets
- Scale and positions in sourcing and production of power
- Strong support schemes being put in place in EU and Norway – supporting aggressive European industrial decarbonization targets.



**Potential for ~4 GW long-term captive demand**



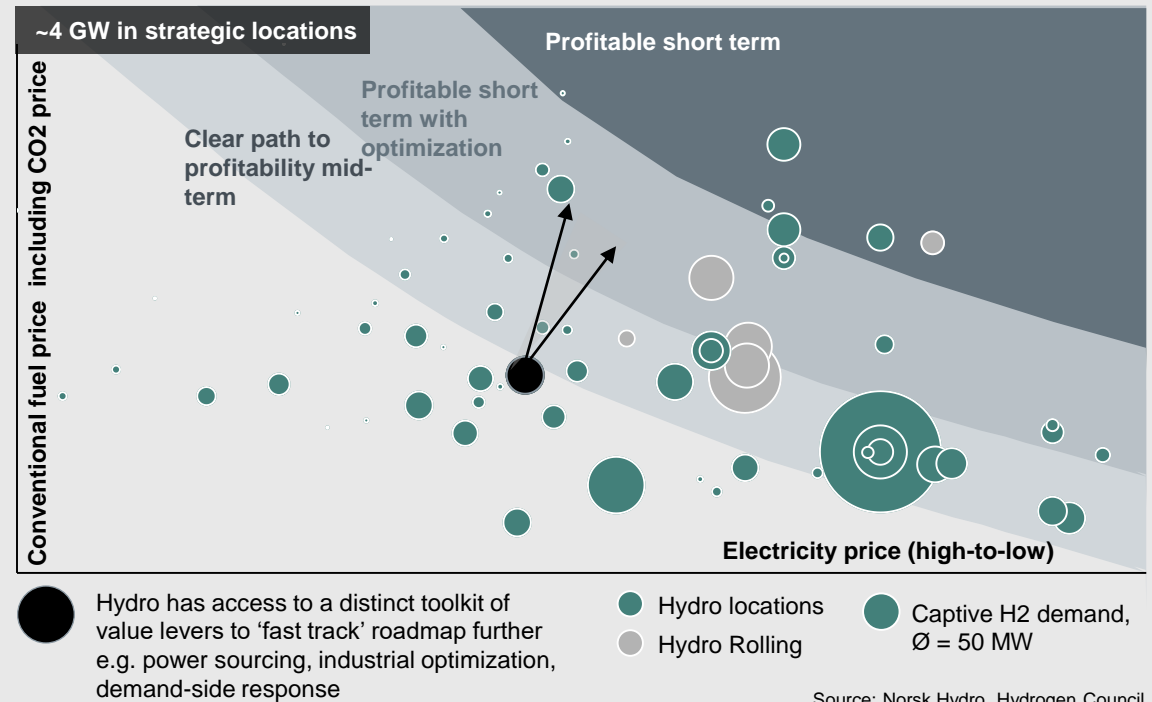
**Vehicle to develop renewable power**



**Leveraging Hydro Energy market and system support**

1) Excluding Alunorte

## Conversion already attractive at multiple Hydro locations



Source: Norsk Hydro, Hydrogen Council

## Equity raise being evaluated for Hydrogen company

- Currently maturing 3-5 projects in Norway and Europe
- First investment decisions within 12 months
- Plan to raise external capital in short to medium term
- Global project portfolio and long-term robust pipeline
- Partnerships being matured to accelerate growth



Lifting profitability,  
driving sustainability

# Priorities

1. Health and safety first
2. Grow volumes and margins in strong markets
3. Deliver improvements and commercial ambitions
4. Execute Hydro 2025 strategy
  - Strengthen position in low-carbon aluminium and grow recycling
  - Expand and diversify in new energy





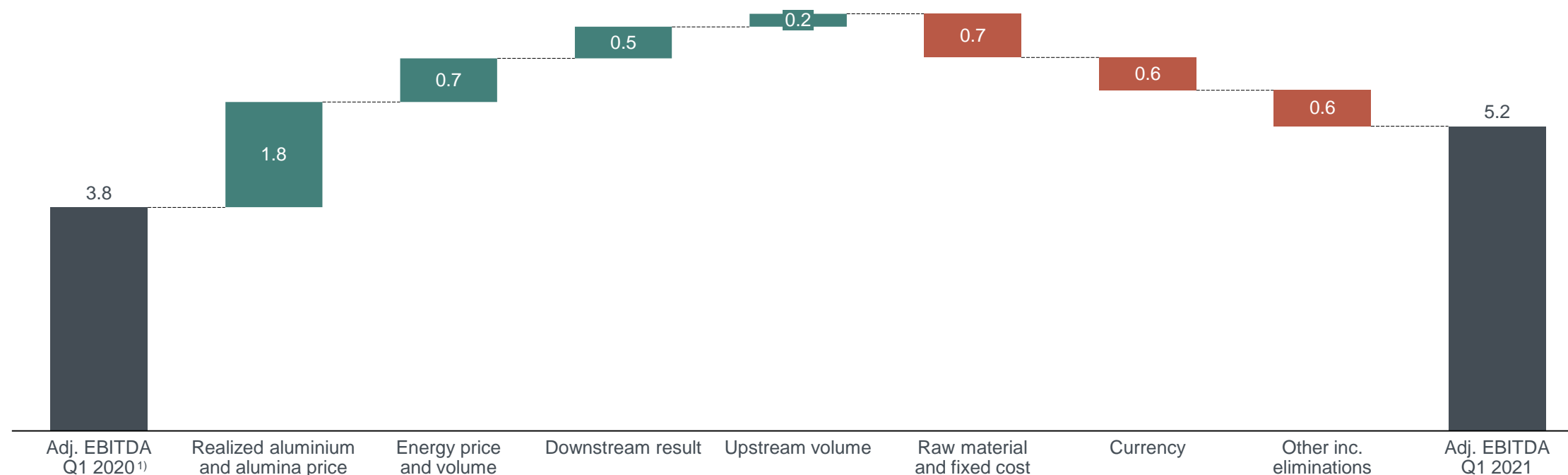
# Financial update

Pål Kildemo,  
Executive Vice President and CFO

# Result up on improved prices and downstream result, partly offset by raw material cost and negative currency effects

Q1-2021 vs Q1-2020

NOK billion



1) Based on restated financials ex. Hydro Rolling

# Key financials



NOK million	Q1 2021	Q1 2020	Q4 2020	Year 2020
Revenue	31 951	31 609	29 823	114,291
<b>Reported EBITDA</b>	<b>4 079</b>	<b>4 107</b>	<b>8 601</b>	<b>18 390</b>
Adjustment to EBITDA	1 103	(297)	(5 198)	(5 284)
<b>Adjusted EBITDA</b>	<b>5 182</b>	<b>3 810</b>	<b>3 403</b>	<b>13 106</b>
Reported EBIT	2 233	2 228	6 824	9 356
<b>Adjusted EBIT</b>	<b>3 559</b>	<b>1 943</b>	<b>1 678</b>	<b>6 040</b>
Financial income (expense)	424	(4 428)	1 248	(4 552)
<b>Reported Income (loss) before tax</b>	<b>2 657</b>	<b>(2 200)</b>	<b>8 072</b>	<b>4 804</b>
Income taxes	(776)	457	(846)	(918)
<b>Reported Net income (loss) from continuing operations</b>	<b>1 880</b>	<b>(1 743)</b>	<b>7 226</b>	<b>3 886</b>
Adjusted net income (loss) from continuing operations	2 448	834	1 089	2 848
Earnings per share from continuing operations	0.89	(0.75)	3.40	1.99
Adjusted earnings per share from continuing operations	1.15	0.39	0.47	1.32
Loss from discontinued operations	(380)	(282)	(1 849)	(2 226)

Income and expenses in the business to be sold are excluded from such income and expenses in continuing operations and reported separately as Losses for discontinued operations. For further information and a specification of the result in the discontinued operations, see Note 4 Discontinued operations and assets held for sale to the interim financial statements



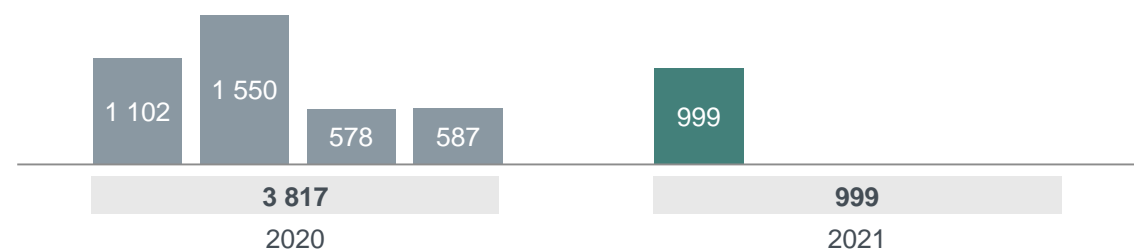
# Hydro Bauxite & Alumina

Results down on increased costs from crane repair and raw materials prices

Key figures	Q1 2021	Q1 2020	Q4 2020
Alumina production, kmt	1 540	1 531	1 410
Total alumina sales, kmt	2 269	2 140	2 122
Realized alumina price, USD/mt	294	278	272
Implied alumina cost, USD/mt <sup>1)</sup>	243	226	241
Bauxite production, kmt	2 813	2 585	2 556
Adjusted EBITDA, NOK million	999	1 102	587
Adjusted EBIT, NOK million	556	535	116
Adjusted RoaCE, % LTM <sup>2)</sup>	6.5%	3.6%	5.9%

## Adjusted EBITDA

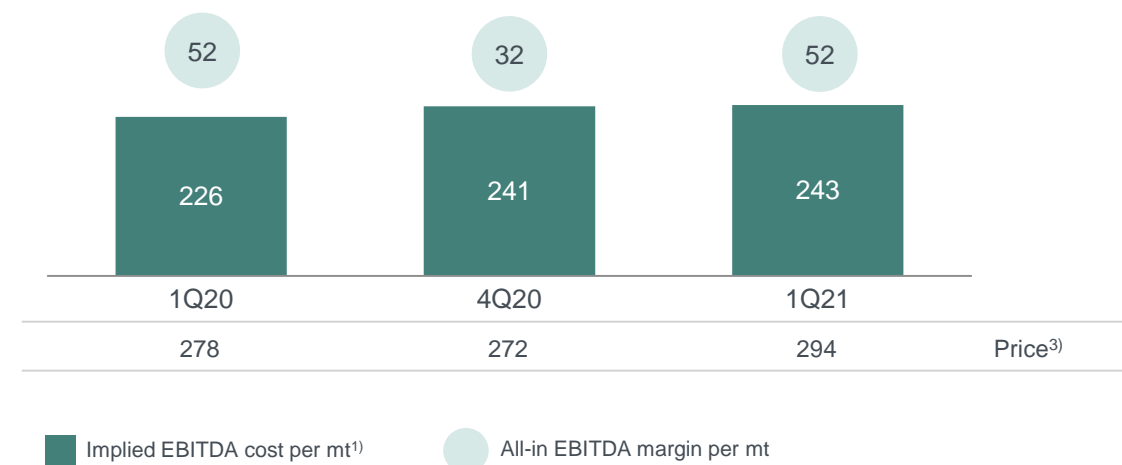
NOK million



- 1) Realized alumina price minus Adjusted EBITDA for B&A, per mt alumina sales
- 2) Adjusted RoaCE calculated as Adjusted EBIT last 4 quarters less 25% tax / Average capital employed last 4 quarters
- 3) Realized alumina price

## Implied alumina cost and margin

USD/mt<sup>1)</sup>



## Results Q1 21 vs Q1 20

- Higher realized alumina price
- Positive currency effects of weaker BRL against USD
- Higher operational costs from crane repairs (NOK ~350 million)
- Higher raw material prices, mainly fuel oil
- High production at Paragominas, and close to nameplate at Alunorte

## Outlook Q2 21

- Alunorte expected to produce around nameplate capacity
- Crane repair costs NOK ~100 million
- Maintenance at Paragominas
- Higher market prices for fuel oil

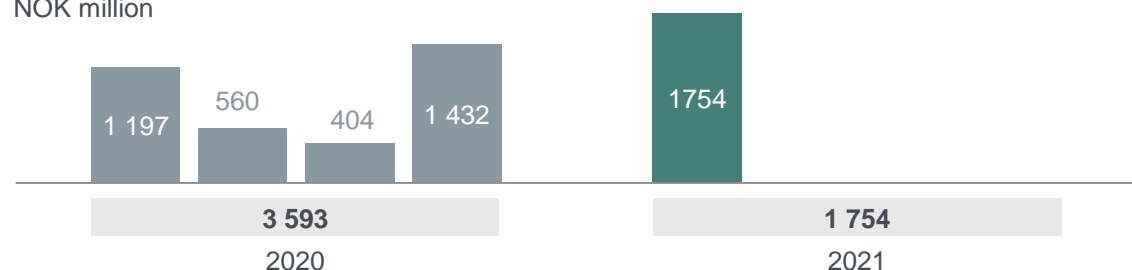
# Hydro Aluminium Metal

Results up on higher all-in metal prices

Key figures	Q1 2021	Q1 2020	Q4 2020
Primary aluminium production, kmt	539	528	532
Total sales, kmt	599	577	547
Realized LME price, USD/mt	1 993	1 758	1 792
Realized LME price, NOK/mt	16 999	16 658	16 364
Realized premium, USD/mt	264	234	224
Implied all-in primary cost, USD/mt <sup>1)</sup>	1 825	1 700	1 650
Adjusted EBITDA, NOK million	1 754	1 197	1 432
Adjusted EBITDA including Qatalum 50% pro rata (NOK million)	2 218	1 599	1 794
Adjusted EBIT, NOK million	1 185	573	844
Adjusted RoaCE, % LTM <sup>2)</sup>	4.5%	0.4%	2.9%

## Adjusted EBITDA

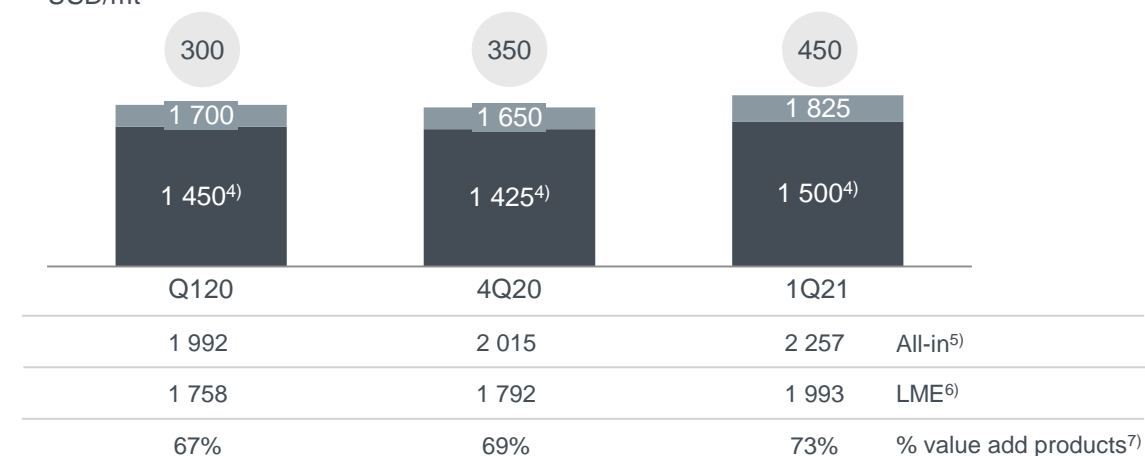
NOK million



- 1) Realized all-in aluminium price minus Adjusted EBITDA margin, including Qatalum, per mt aluminium sold. Including Qatalum volumes.
- 2) Adjusted RoaCE calculated as Adjusted EBIT last 4 quarters less 25% tax / Average capital employed last 4 quarters
- 3) Implied primary cost and margin rounded to nearest USD 25
- 4) Realized LME aluminium price less Adjusted EBITDA margin, incl Qatalum, per mt primary aluminium produced

## All-in implied primary cost and margin

USD/mt<sup>1,3)</sup>



■ All-in Implied EBITDA cost per mt<sup>1)</sup> ■ LME Implied EBITDA cost per mt<sup>4)</sup> ● All-in EBITDA margin per mt

## Results Q1 21 vs Q1 20

- Higher LME, premiums and sales volumes
- Negative currency effects and higher raw material prices
- NOK 120 million risk adjusted CO<sub>2</sub> compensation included, reflecting 2 months eligible sales volumes

## Outlook Q2 21

- ~65% of primary production for Q2 priced at USD 2 108 per mt<sup>8)</sup>
- ~59% of premiums affecting Q2 booked at USD ~333 per mt<sup>8)</sup>
  - Q2 realized premium expected in the range of USD 275-325 per ton

5) Realized LME plus realized premiums, including Qatalum

6) Realized LME, including Qatalum

7) % of volumes extrusion ingot, foundry alloy, sheet ingot, wire rod of total sales volumes

8) Bookings, also including pricing effects from LME strategic hedging program as per 31.03.2021

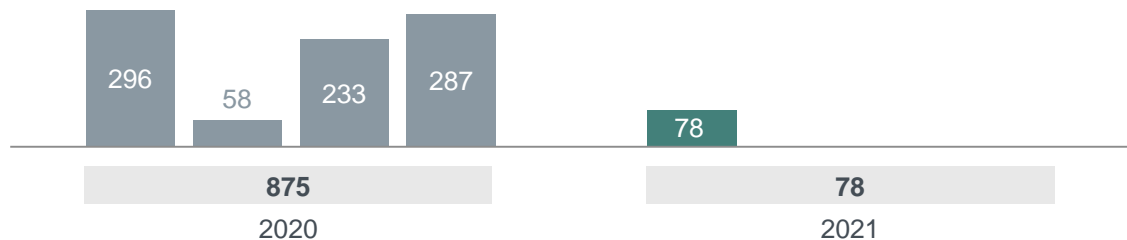
# Hydro Metal Markets

Results down on lower Recycling results and negative currency and inventory valuation effects

Key figures	Q1 2021	Q1 2020	Q4 2020
Remelt production, kmt	143	137	140
Metal products sales, kmt <sup>1)</sup>	742	675	672
Adjusted EBITDA Recycling (NOK million)	89	121	137
Adjusted EBITDA Commercial (NOK million)	(11)	176	149
Adjusted EBITDA Metal Markets (NOK million)	78	296	287
Adjusted EBITDA excl. currency and inventory valuation effects	161	119	295
Adjusted EBIT (NOK million)	43	261	248
Adjusted RoaCE, % LTM <sup>2)</sup>	15.8%	28.1%	21.4%

## Adjusted EBITDA

NOK million



1) Includes external and internal sales from primary casthouse operations, remelters and third-party metal sources.

2) Adjusted RoaCE calculated as Adjusted EBIT last 4 quarters less 25% tax / Average capital employed last 4 quarters



## Results Q1 21 vs Q1 20

- Lower recycling results, mainly due to lower realized sales premiums
- Higher results from commercial activities
- Negative currency and inventory valuation effects

## Outlook Q2 21

- Volatile trading and currency effects



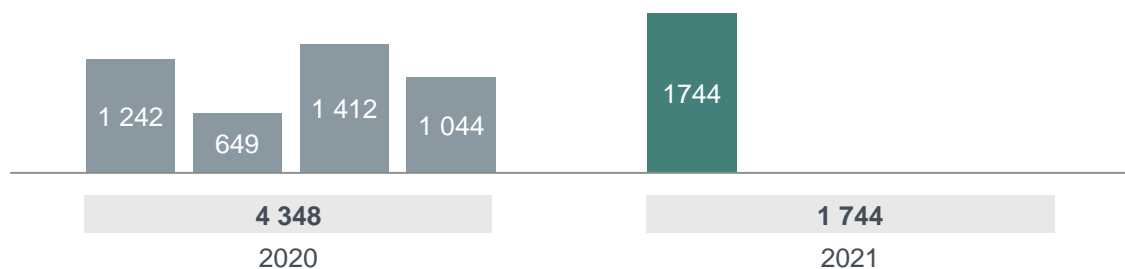
# Hydro Extrusions

Results up on higher volumes, reduced variable costs and increased margins

Key figures	Q1 2021	Q1 2020	Q4 2020
External sales volumes, kmt	338	305	291
Adjusted EBITDA, NOK million	1 744	1 242	1 044
Adjusted EBIT, NOK million	1 244	702	511
Adjusted RoaCE, % LTM <sup>1)</sup>	8.4%	5.7%	6.2%

## Adjusted EBITDA

NOK million



## Results Q1 21 vs Q1 20

- Higher volumes driven by strong demand
- Increased margins
- Lower variable costs

## Outlook Q2 21

- Continued strong demand
- Continued low fixed costs

1) Adjusted RoaCE calculated as Adjusted EBIT last 4 quarters less 25% tax / Average capital employed last 4 quarters

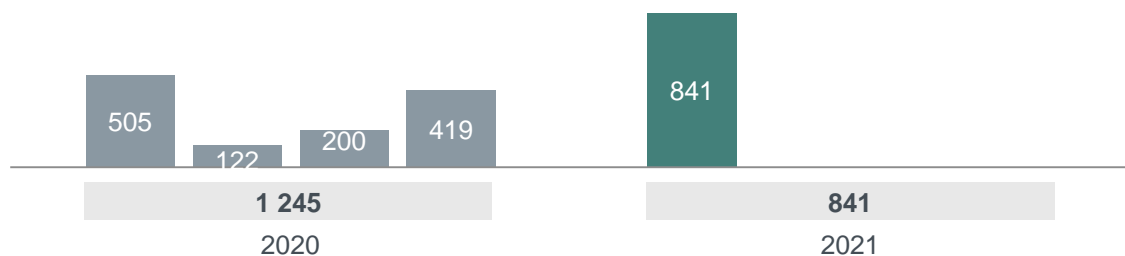
# Hydro Energy

Results up on higher prices and changes in contract portfolio

Key figures	Q1 2021	Q1 2020	Q4 2020
Power production, GWh	2 857	2 868	3 396
Net spot sales, GWh	1 126	1 169	1 595
Southwest Norway spot price (NO2), NOK/MWh	469	154	137
Adjusted EBITDA, NOK million	841	505	419
Adjusted EBIT, NOK million	792	437	352
Adjusted RoaCE, % LTM <sup>1,2)</sup>	10.8%	20.5%	8.7%

## Adjusted EBITDA

NOK million



1) Adjusted RoaCE calculated as Adjusted EBIT last 4 quarters less tax/ Average capital employed last 4 quarters

2) 80% tax rate applied for full year 2019 and 2020. 55% tax rate applied in Q1 2021

3) 01.04.2021-25.04.2021



## Results Q1 21 vs Q1 20

- Seasonally high production at higher prices due to below normal temperatures and low wind power output
- Expiry of legacy power supply contract and new internal contract

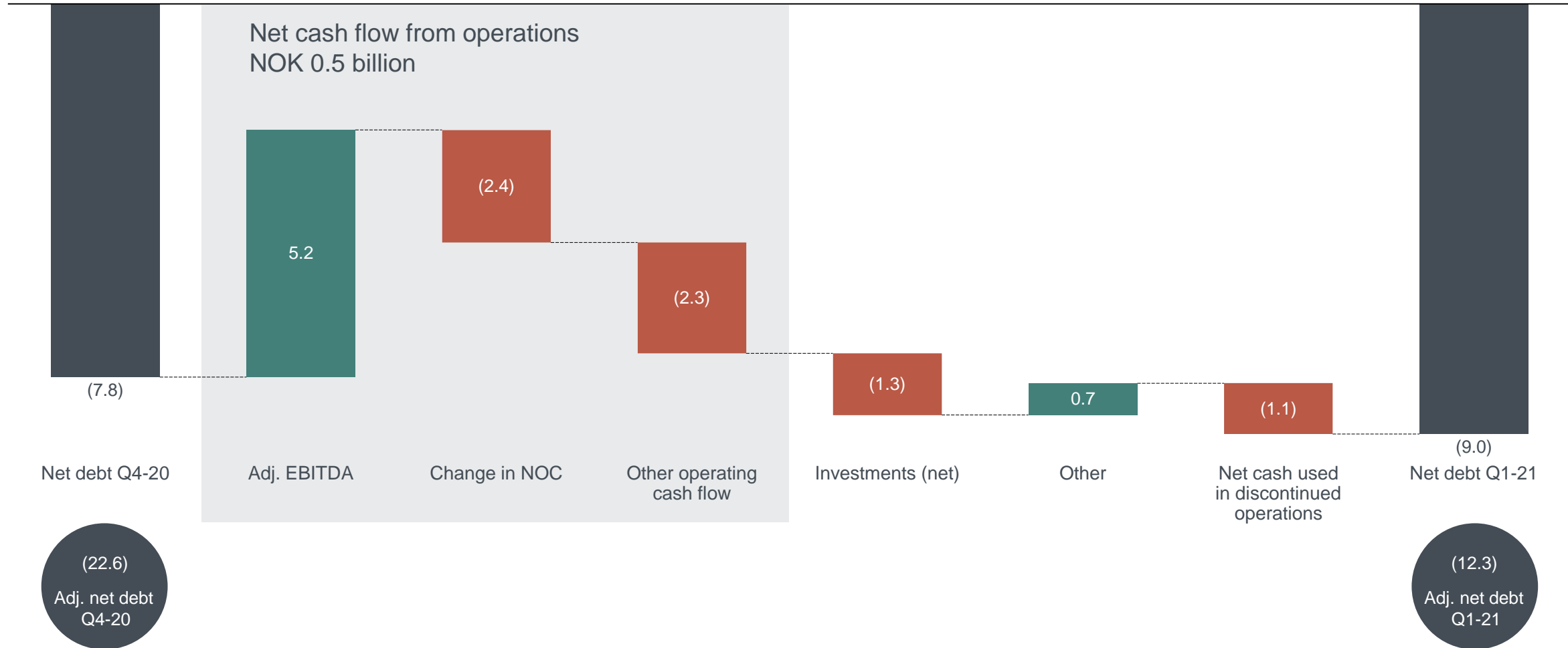
## Outlook Q2 21

- Average NO2 spot price ~422 NOK/Mwh in April<sup>3)</sup>
- Uncertainty on timing of spring thaw

# Net debt increased in Q1 on seasonally higher NOC



NOK billion





# Additional volumes on integrated margin hedge and BRL/USD hedge in the quarter

- Aluminium hedges of 250-350 kt/yr 2021-23 in place per mid-April
  - 250 kt/yr in place 2021-23 per end-January at price levels seen in late December/early January
  - 100 kt/yr additional hedges 2022-23 placed in mid-April
  - Pricing mainly in NOK, with USD hedges converted to NOK via USDNOK derivatives
  - Corresponding raw material exposure partially secured using financial derivatives or physical contracts
- B&A BRL/USD Hedge
  - USD 563 million sold forward for 2021-2023 at average rate of 5.68 BRL/USD
    - USD 194 million 2021 at rate 5.46
    - USD 189 million 2022 at rate 5.61
    - USD 180 million 2023 at rate 6.01
  - Aim to reduce volatility and uncertainty in Alunorte cash flows
  - Current BRL/USD level support a robust cost curve position for Alunorte
- Utilizing Hydro's hedging policy to deliver on strategic ambitions
  - Flexibility to hedge in certain cases
    - Support strong cost position
    - Strong margins in historical perspective, e.g., supporting RoaCE target
    - Larger investments



# Cautionary note



Certain statements included in this announcement contain forward-looking information, including, without limitation, information relating to (a) forecasts, projections and estimates, (b) statements of Hydro management concerning plans, objectives and strategies, such as planned expansions, investments, divestments, curtailments or other projects, (c) targeted production volumes and costs, capacities or rates, start-up costs, cost reductions and profit objectives, (d) various expectations about future developments in Hydro's markets, particularly prices, supply and demand and competition, (e) results of operations, (f) margins, (g) growth rates, (h) risk management, and (i) qualified statements such as "expected", "scheduled", "targeted", "planned", "proposed", "intended" or similar

Although we believe that the expectations reflected in such forward-looking statements are reasonable, these forward-looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause our actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized. Factors that could cause these differences include, but are not limited to: our continued ability to reposition and restructure our upstream and downstream businesses; changes in availability and cost of energy and raw materials; global supply and demand for aluminium and aluminium products; world economic growth, including rates of inflation and industrial production; changes in the relative value of currencies and the value of commodity contracts; trends in Hydro's key markets and competition; and legislative, regulatory and political factors.

No assurance can be given that such expectations will prove to have been correct. Hydro disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



# Additional information



# Driving long-term shareholder value

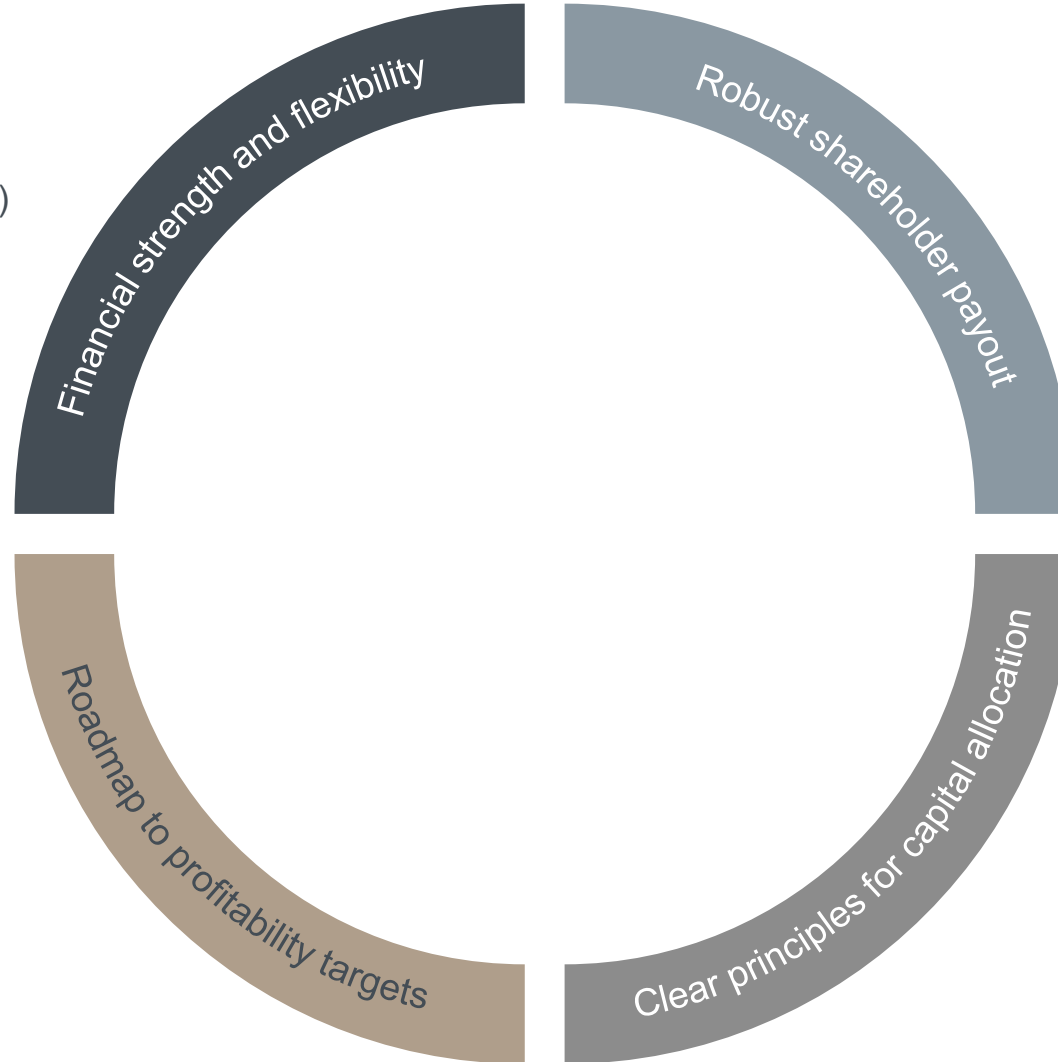
## Financial ambitions and targets

### Financial strength and flexibility

- Maintain investment grade credit rating
  - Currently BBB (S&P), Baa3 (Moody's)
- Balance sheet ratio
  - Target to maintain Adjusted net debt excl EAI / uEBITDA < 2x over the cycle <sup>1)</sup>
- Strong liquidity

### Roadmap to profitability targets

- URoaCE > 10% over the cycle for Hydro group
- URoaCE > CoC for business areas over the cycle
- Differentiated return requirements by and within business areas



### Robust shareholder payout

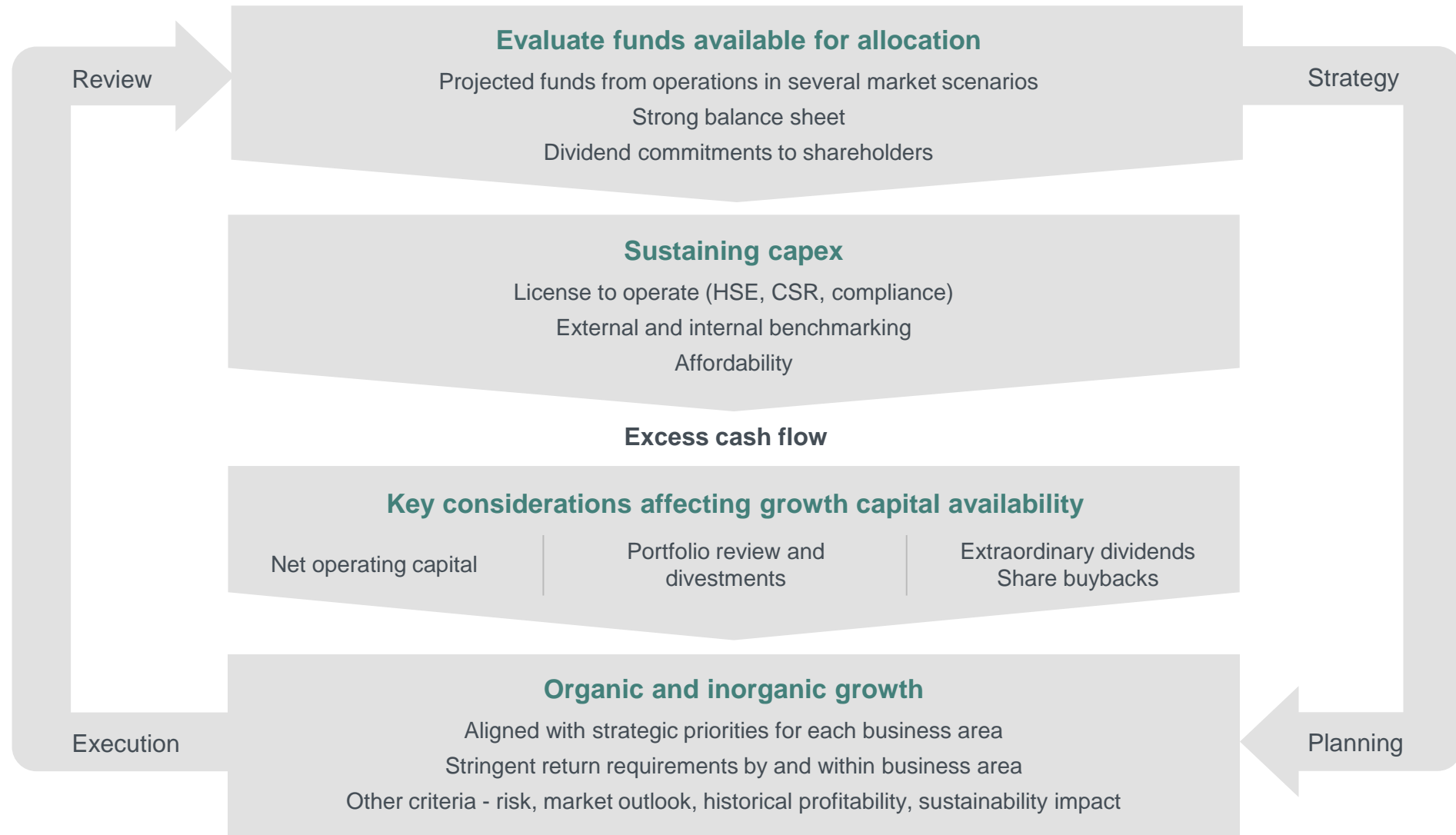
- 50% payout ratio of Net Income over the cycle
- Dividend floor of 1.25 NOK/share
- Supplementary share buybacks or extraordinary dividends

### Clear principles for capital allocation

- Capital allocation in line with strategic priorities and return requirements by business area
- Competitive and affordable sustaining capex
- Strict prioritization, continuous review and reallocation

1) Consistent with previous target to maintain funds from operations / Adjusted net debt incl EAI > 40% over the cycle

# Clear principles for capital allocation



# Shareholder and financial policy

- Aiming for competitive shareholder returns and dividend yield compared to alternative investments in peers
- Dividend policy
  - Average ordinary payout ratio: 50% of adjusted net income over the cycle
  - 1.25 NOK/share to be considered as a floor
  - Share buybacks and extraordinary dividends as supplement in periods with strong financials and outlook
  - Five-year average ordinary pay-out ratio 2016-2020 of ~65%
- Maintain investment-grade credit rating
  - Currently: BBB stable (S&P) & Baa3 stable (Moody's)
  - Competitive access to capital is important for Hydro's business model (counterparty risk and partnerships)
- Financial ratio target over the business cycle
  - Adjusted net debt to adjusted EBITDA < 2x

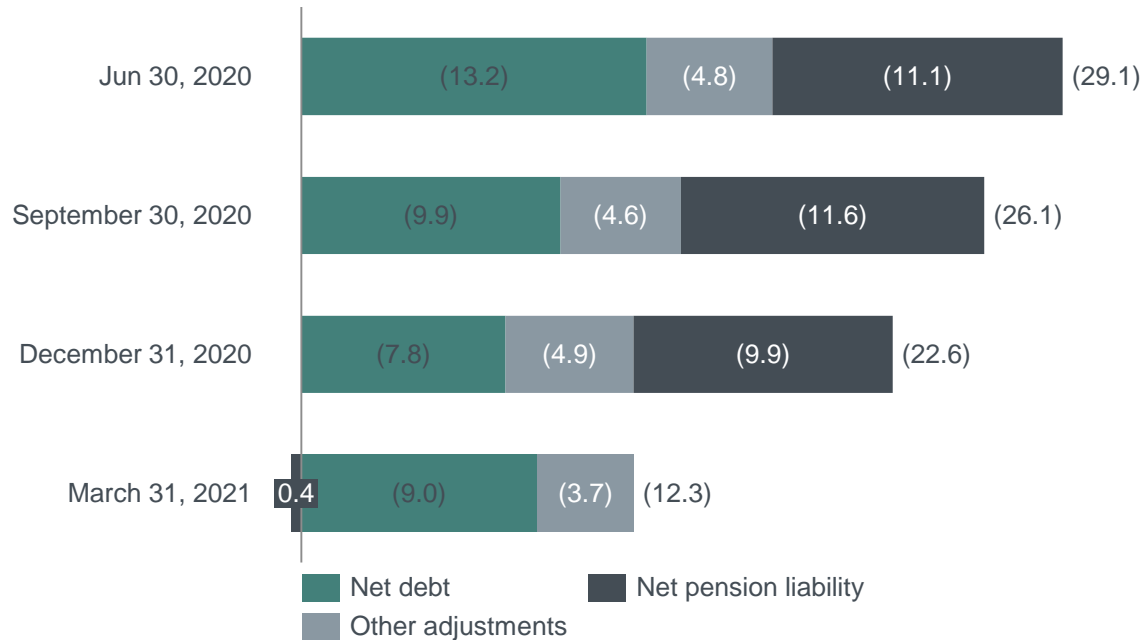
# Hedging policy



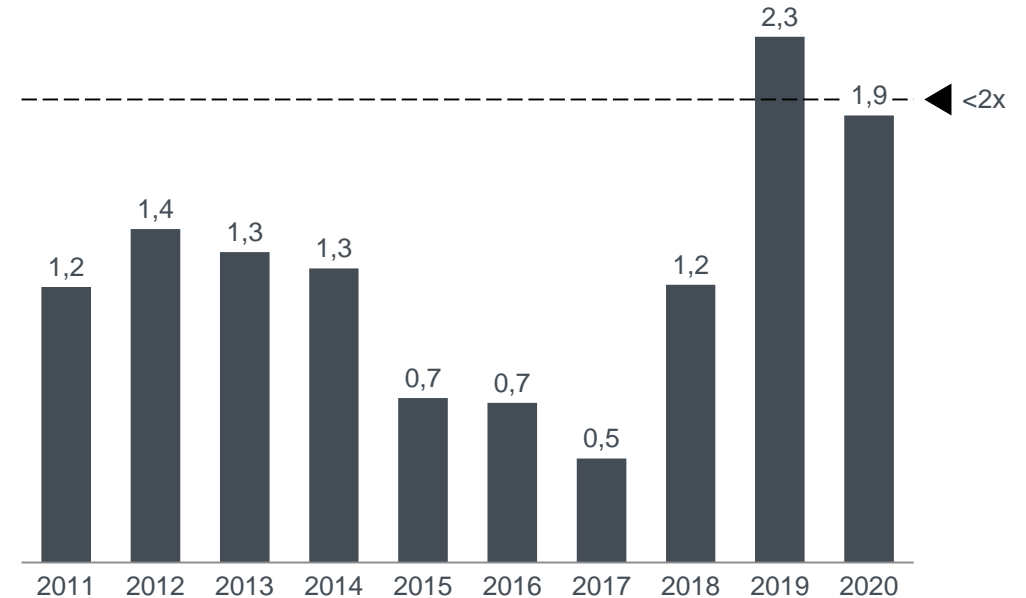
- Hedging strategy
  - Fluctuating with the market: primarily exposed to LME and USD
  - Volatility mitigated by strong balance sheet
  - Strengthening relative position to ensure competitiveness
- Diversified business
  - Upstream cyclicalities balanced with more stable earnings downstream
  - Exposed to different markets and cycles
- Bauxite & Alumina
  - Currency exposure, mainly USD and BRL
  - Exposed to LME and Platts alumina index prices
- Aluminium Metal
  - Operational LME hedging - one-month forward sales
  - Currency exposure, mainly USD, NOK and BRL
- Metal Markets Operational LME and currency hedging to secure margin
- Flexibility to hedge LME or currency in certain cases

# Maintaining a solid balance sheet and investment-grade credit rating

Adjusted net debt  
BNOK



Adjusted net debt to adjusted EBITDA<sup>1)</sup>



1) Based on four quarter average adjusted net debt. 2011-2013: Based on Adjusted net debt at year-end

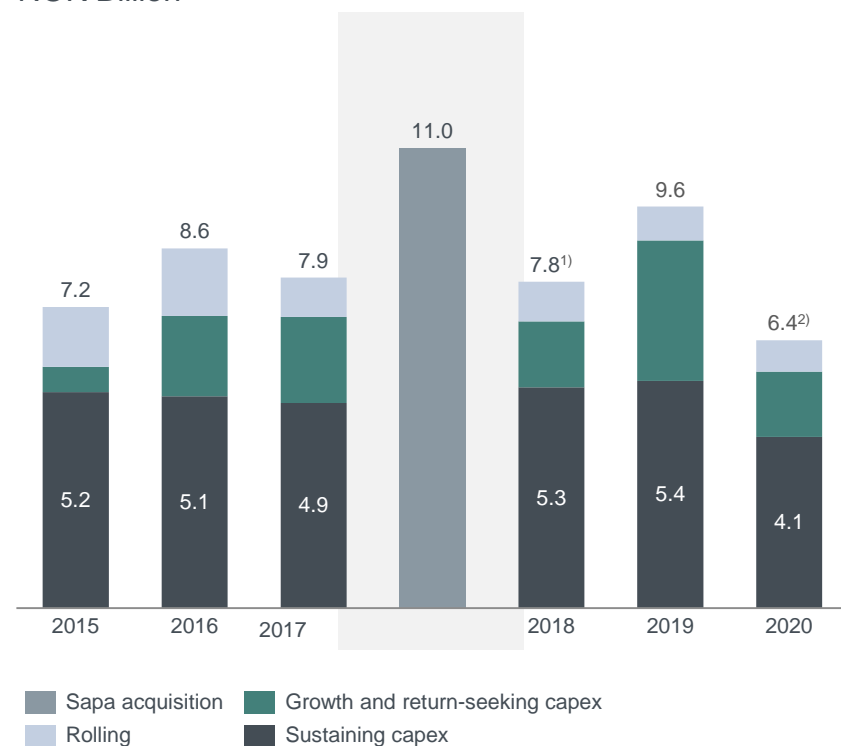


# Capex guidance excluding Rolling of ~8.5 billion in 2021

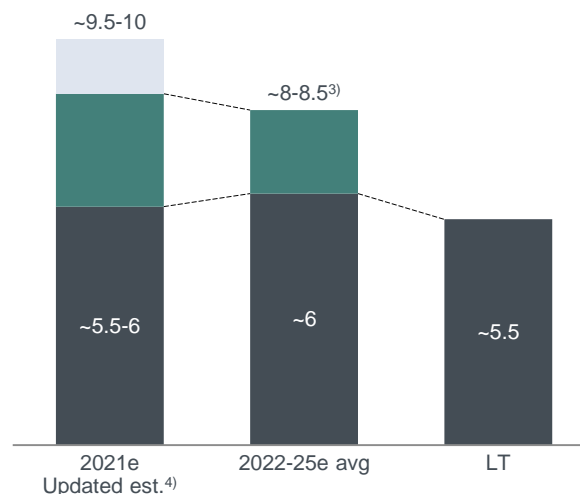


Expectation of NOK ~8-8.5 billion from 2022 to 2025

Historical capex  
NOK Billion



Guidance capex LT  
NOK Billion



## Sustaining projects

- New mining area in Paragominas (from 2022)
- Pipeline replacement
- Upgrades to Alunorte
- Smelter relining and asset integrity in Aluminium Metal

## Growth and return-seeking

- Selected customer-driven projects in Extrusions
- Recycling
- Energy wind and battery storage
- Fuel switch project

### Capex including Extrusions

1) Excluding the Pis/Cofins adjustments in Brazil in 2018. Including the adjustment, 2018 capex amounted to BNOK 7.0

2) Excluding NOK (0.1) billion from, e.g., changes in prepayments/payables for capex. Cash effective capex based on the cash flow statement amounts to NOK 6.5 billion (adjusted for changes in short-term investments)

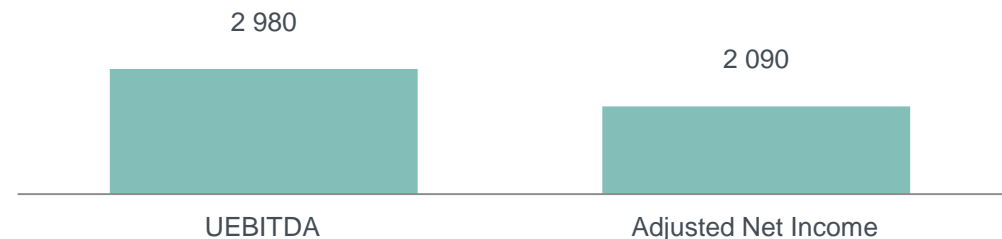
3) Growth and return-seeking capex guidance 2022-25 avg only includes capex necessary for delivering on targeted improvement ambitions and commercial initiatives

4) NOK 700 millions of CAPEX carried over from 2020 to 2021; however; sum of total CAPEX in 2020 and 2021 unchanged from original guidance at 2020 Capital Markets Day

# Significant exposure to commodity and currency fluctuations

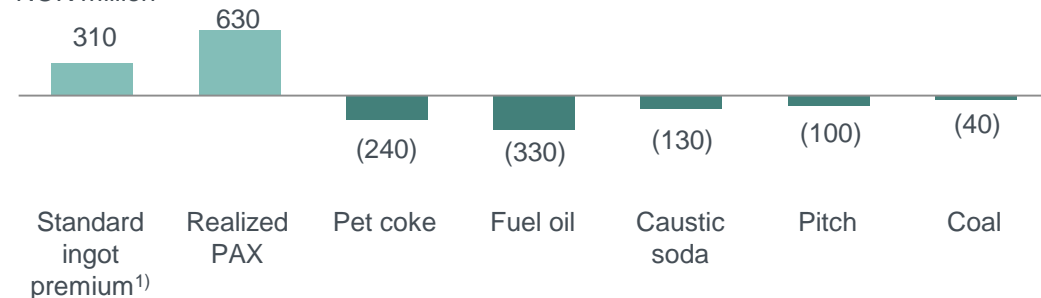
## Aluminium price sensitivity +10%

NOK million



## Other commodity prices, sensitivity +10%

NOK million



## Currency sensitivities +10%

Sustainable effect:

NOK million	USD	BRL	EUR
UEBITDA	2 880	(500)	~0

One-off reevaluation effect:

Financial items	(330)	610	(3 760)
-----------------	-------	-----	---------

- Annual adjusted sensitivities based on normal annual business volumes, excluding Hydro Rolling. LME USD 1990 per mt, standard ingot premium 165 USD/mt, PAX 300 USD/mt, fuel oil USD 610 per mt, petroleum coke USD 315 per mt, pitch 570 EUR/t, caustic soda USD 270 per mt, coal USD 65 per mt, USD/NOK 8.53, BRL/NOK 1.56, EUR/NOK 10.26
- Aluminium price sensitivity is net of aluminium price indexed costs and excluding unrealized effects related to operational hedging
- BRL sensitivity calculated on a long-term basis with fuel oil assumed in USD. In the short-term, fuel oil is BRL-denominated
- Excludes effects of priced contracts in currencies different from adjusted currency exposure (transaction exposure)
- Currency sensitivity on financial items includes effects from intercompany positions
- 2021 Platts alumina index (PAX) exposure used
- U NI sensitivity calculated as UEBITDA sensitivity after 30% tax

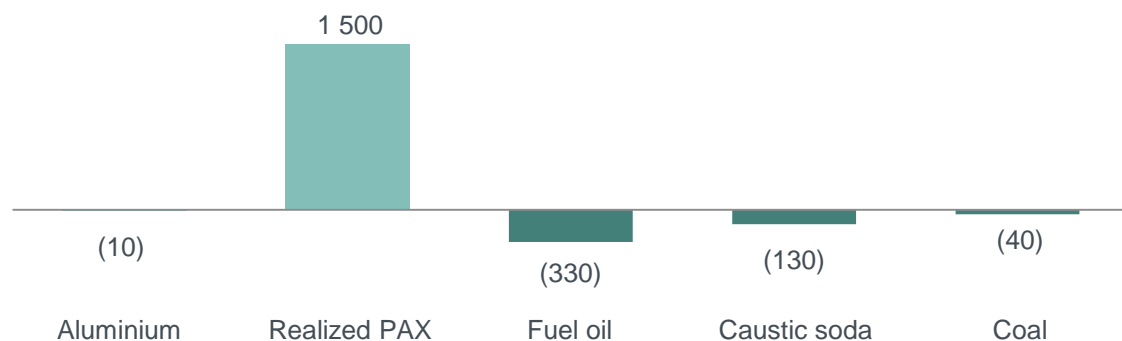
1) Europe duty paid

# Bauxite & Alumina sensitivities



## Annual sensitivities on adjusted EBITDA if +10% in price

NOK million



## Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBITDA	680	(270)	-

## Revenue impact

- ~14% of 3-month LME price per tonne alumina with one month lag
- Realized alumina price lags PAX by one month

## Cost impact

### *Bauxite*

- ~2.45 tonnes bauxite per tonne alumina
- Pricing partly LME-linked

### *Caustic soda*

- ~0.1 tonnes per tonne alumina
- Prices based on IHS Chemical, pricing mainly monthly per shipment

### *Energy*

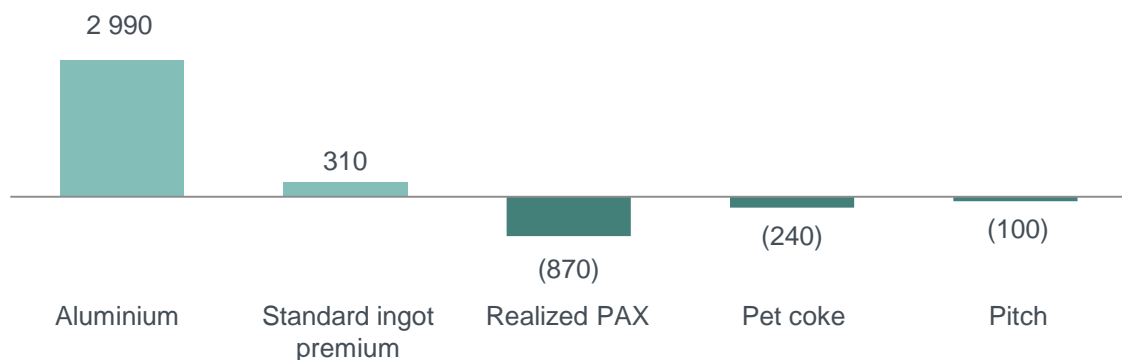
- ~0.12 tonnes coal per tonne alumina, Platts prices, one year volume contracts, weekly per shipment pricing
- ~0.11 tonnes heavy fuel oil per tonne alumina, prices set by ANP/Petrobras in Brazil, weekly pricing (ANP) or anytime (Petrobras)
- Increased use of coal as energy source in Alunorte

# Alumimum Metal sensitivities



## Annual sensitivities on adjusted EBITDA if +10% in price

NOK million



## Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBITDA	2 080	(230)	(540)

## Revenue impact

- Realized price lags LME spot by ~1-2 months
- Realized premium lags market premium by ~2-3 months

## Cost impact

### Alumina

- ~1.9 tonnes per tonne aluminium
- ~ 2-3 months lag
- Mainly priced on Platts index

### Carbon

- ~0.40 tonnes petroleum coke per tonne aluminium, Pace Jacobs Consultancy, 2-3 year volume contracts, quarterly or half yearly pricing
- ~0.08 tonnes pitch per tonne aluminium, CRU, 2-3 year volume contracts, quarterly pricing

### Power

- 14.0 MWh per tonne aluminium
- Long-term power contracts with indexations



# Adjusting items to EBITDA, EBIT and net income



NOK million (+=loss/)=gain)		Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Year 2020
Alunorte Agreements – provision	Hydro Bauxite & Alumina	129	-	-	-	-	129
Unrealized derivative effects on raw material contracts	Hydro Bauxite & Alumina	-	-	-	5	-	5
Unrealized effects on physical raw material contracts	Hydro Bauxite & Alumina	-	-	-	-	(27)	-
<b>Total impact</b>	<b>Hydro Bauxite &amp; Alumina</b>	<b>129</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>(27)</b>	<b>134</b>
Unrealized derivative effects on LME related contracts	Hydro Aluminium Metal	(64)	200	(198)	(99)	1 256	(160)
Unrealized effects on power contracts	Hydro Aluminium Metal	(147)	48	165	153	34	218
Net foreign exchange (gain)/loss	Hydro Aluminium Metal	-	-	-	-	(35)	-
Other effects	Hydro Aluminium Metal	-	(12)	(30)	(90)	-	(131)
<b>Total impact</b>	<b>Hydro Aluminium Metal</b>	<b>(211)</b>	<b>236</b>	<b>(63)</b>	<b>(36)</b>	<b>1 254</b>	<b>(74)</b>
Unrealized derivative effects on LME related contracts	Hydro Metal Markets	(224)	340	(187)	32	24	(38)
<b>Total impact</b>	<b>Hydro Metal Markets</b>	<b>(224)</b>	<b>340</b>	<b>(187)</b>	<b>32</b>	<b>24</b>	<b>(38)</b>
Unrealized derivative effects on LME related contracts	Hydro Extrusions	114	13	(201)	(57)	(98)	(129)
Significant rationalization charges and closure costs	Hydro Extrusions	4	134	(20)	70	-	187
Transaction related effects	Hydro Extrusions	(57)	6	-	14	-	(37)
Other effects	Hydro Extrusions	-	-	-	101	-	101
<b>Total impact</b>	<b>Hydro Extrusions</b>	<b>61</b>	<b>154</b>	<b>(220)</b>	<b>129</b>	<b>(98)</b>	<b>123</b>
Unrealized derivative effects on power contracts	Hydro Energy	(17)	33	14	(5)	(19)	25
(Gains) / losses on divestments	Hydro Energy	-	-	-	(5 308)	(45)	(5 308)
Net foreign exchange (gain)/loss	Hydro Energy	-	-	-	-	4	-
<b>Total impact</b>	<b>Hydro Energy</b>	<b>(17)</b>	<b>33</b>	<b>14</b>	<b>(5 313)</b>	<b>(59)</b>	<b>(5 283)</b>
Unrealized derivative effects on power contracts	Other and eliminations	(19)	(19)	(19)	(19)	-	(76)
Unrealized derivative effects on LME related contracts	Other and eliminations	(16)	18	(7)	(2)	1	(8)
(Gains) / losses on divestments	Other and eliminations	-	-	(65)	3	-	(62)
Net foreign exchange (gain)/loss	Other and eliminations	-	-	-	-	9	-
Other effects	Other and eliminations	-	-	(4)	4	-	-
<b>Total impact</b>	<b>Other and eliminations</b>	<b>(35)</b>	<b>(1)</b>	<b>(95)</b>	<b>(15)</b>	<b>10</b>	<b>(146)</b>
<b>Adjusting items to EBITDA</b>	<b>Hydro</b>	<b>(297)</b>	<b>762</b>	<b>(551)</b>	<b>(5 198)</b>	<b>1 103</b>	<b>(5 284)</b>
Impairment charges	Hydro Aluminium Metal	-	504	-	-	-	504
Impairment charges	Hydro Extrusions	12	1 483	77	52	122	1 625
Impairment charges	Other and eliminations	-	(161)	-	-	-	(161)
Depreciation	Hydro Aluminium Metal	-	-	-	-	101	-
<b>Adjusting items to EBIT</b>	<b>Hydro</b>	<b>(285)</b>	<b>2 588</b>	<b>(474)</b>	<b>(5 146)</b>	<b>1 326</b>	<b>(3 316)</b>
Net foreign exchange (gain)/loss	Hydro	4 184	(563)	1 528	(1 349)	(653)	3 800
Other finance (income) expense	Hydro	-	-	-	(128)	-	(128)
<b>Adjusting items to income (loss) before tax</b>	<b>Hydro</b>	<b>3 899</b>	<b>2 025</b>	<b>1 054</b>	<b>(6 624)</b>	<b>673</b>	<b>355</b>
Calculated income tax effect	Hydro	(1 322)	(221)	(336)	486	(106)	(1 393)
<b>Adjusting items to net income (loss)</b>	<b>Hydro</b>	<b>2 577</b>	<b>1 805</b>	<b>718</b>	<b>(6 138)</b>	<b>567</b>	<b>(1 038)</b>

# Operating segment information



## Adjusted EBIT

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Year 2020
Hydro Bauxite & Alumina	535	1 047	108	116	556	1 806
Hydro Aluminium Metal	573	(37)	(156)	844	1 185	1 225
Hydro Metal Markets	261	21	198	248	43	728
Hydro Extrusions	702	89	894	511	1 244	2 196
Hydro Energy	437	53	132	352	792	974
Other and Eliminations	(565)	(173)	242	(393)	(261)	(889)
<b>Total</b>	<b>1 943</b>	<b>1 000</b>	<b>1 419</b>	<b>1 678</b>	<b>3 559</b>	<b>6 040</b>

## Adjusted EBITDA

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Year 2020
Hydro Bauxite & Alumina	1 102	1 550	578	587	999	3 817
Hydro Aluminium Metal	1 197	560	404	1 432	1 754	3 593
Hydro Metal Markets	296	58	233	287	78	875
Hydro Extrusions	1 242	649	1 412	1 044	1 744	4 348
Hydro Energy	505	122	200	419	841	1 245
Other and Eliminations	(532)	(144)	272	(366)	(234)	(771)
<b>Total</b>	<b>3 810</b>	<b>2 794</b>	<b>3 100</b>	<b>3 403</b>	<b>5 182</b>	<b>13 106</b>

# Operating segment information



## EBIT

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Year 2020
Hydro Bauxite & Alumina	406	1 047	108	111	583	1 672
Hydro Aluminium Metal	784	(777)	(93)	880	(171)	794
Hydro Metal Markets	485	(319)	385	216	19	766
Hydro Extrusions	628	(1 548)	1 038	331	1 220	449
Hydro Energy	454	20	118	5 665	851	6 258
Other and Eliminations	(530)	(11)	337	(379)	(271)	(582)
<b>Total</b>	<b>2 228</b>	<b>(1 588)</b>	<b>1 893</b>	<b>6 824</b>	<b>2 233</b>	<b>9 356</b>

## EBITDA

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Year 2020
Hydro Bauxite & Alumina	973	1 550	578	582	1 026	3 683
Hydro Aluminium Metal	1 408	324	467	1 468	500	3 667
Hydro Metal Markets	521	(282)	420	254	55	913
Hydro Extrusions	1 181	496	1 633	915	1 842	4 225
Hydro Energy	523	88	186	5 732	900	6 529
Other and Eliminations	(497)	(144)	367	(351)	(244)	(625)
<b>Total</b>	<b>4 107</b>	<b>2 032</b>	<b>3 651</b>	<b>8 601</b>	<b>4 079</b>	<b>18 390</b>

# Operating segment information



## Total revenue

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Year 2020
Hydro Bauxite & Alumina	6 029	6 173	5 334	5 503	6 026	23 039
Hydro Aluminium Metal	9 753	7 720	8 228	8 702	8 953	34 404
Hydro Metal Markets	12 912	10 485	11 290	12 178	13 624	46 865
Hydro Extrusions	15 140	11 593	13 372	14 390	16 334	54 496
Hydro Energy	2 115	1 423	1 539	1 890	2 343	6 967
Other and Eliminations	(14 340)	(12 051)	(12 247)	(12 842)	(15 327)	(51 479)
<b>Total</b>	<b>31 609</b>	<b>25 343</b>	<b>27 516</b>	<b>29 823</b>	<b>31 951</b>	<b>114 291</b>

## External revenue

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Year 2020
Hydro Bauxite & Alumina	3 249	3 792	3 167	3 173	3 546	13 381
Hydro Aluminium Metal	1 968	1 393	1 632	2 046	762	7 039
Hydro Metal Markets	10 353	8 510	9 242	9 788	10 789	37 893
Hydro Extrusions	15 215	11 581	13 344	14 401	16 203	54 542
Hydro Energy	633	47	137	443	787	1 261
Other and Eliminations	191	20	(7)	(29)	(136)	175
<b>Total</b>	<b>31 609</b>	<b>25 343</b>	<b>27 516</b>	<b>29 823</b>	<b>31 951</b>	<b>114 291</b>



# Operating segment information



## Internal revenue

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Year 2020
Hydro Bauxite & Alumina	2 780	2 380	2 168	2 330	2 479	9 658
Hydro Aluminium Metal	7 785	6 328	6 596	6 656	8 191	27 365
Hydro Metal Markets	2 559	1 975	2 047	2 390	2 835	8 972
Hydro Extrusions	(76)	12	28	(11)	131	(47)
Hydro Energy	1 482	1 376	1 402	1 447	1 556	5 706
Other and Eliminations	(14 530)	(12 070)	(12 241)	(12 813)	(15 191)	(51 654)
<b>Total</b>	-	-	-	-	-	-

## Share of profit /(loss) in equity accounted investments

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Year 2020
Hydro Bauxite & Alumina	-	-	-	-	-	-
Hydro Aluminium Metal	40	26	6	185	147	256
Hydro Metal Markets	-	-	-	-	-	-
Hydro Extrusions	-	-	-	-	-	-
Hydro Energy	(12)	(5)	(16)	(6)	(23)	(39)
Other and Eliminations	(31)	28	34	(24)	1	7
<b>Total</b>	<b>(4)</b>	<b>48</b>	<b>24</b>	<b>155</b>	<b>125</b>	<b>223</b>

# Operating segment information



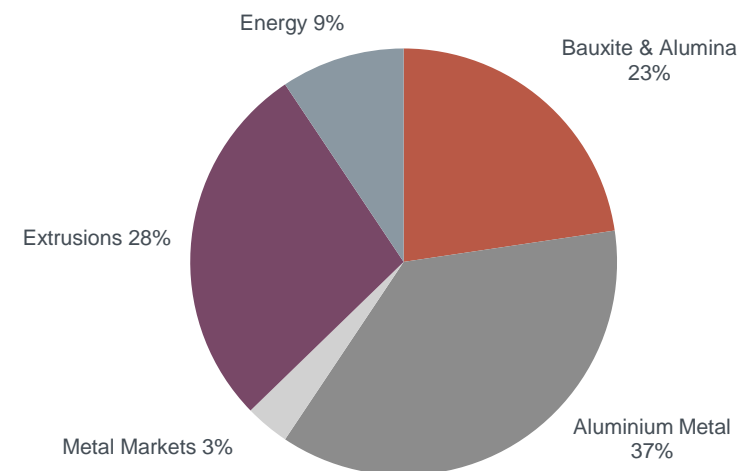
Return on average capital employed <sup>1)</sup> (RoCE)

	Reported RoCE						
	2020	2019	2018	2017	2016	2015	2014
Hydro Bauxite & Alumina	5.4%	1.9%	4.6%	8.5%	2.7%	5.3%	(0.1)%
Hydro Aluminium Metal	1.9%	(3.9)%	5.6%	11.8%	5.2%	10.7%	10.4%
Hydro Metal Markets	22.5%	20.7%	25.1%	18.6%	19.6%	5.4%	21.9%
Hydro Extrusions <sup>2)</sup>	1.3%	3.8%	5.3%	13.4%			
Hydro Energy <sup>3)</sup>	249.5%	13.4%	18.8%	17.5%	18.1%	17.2%	17.4%
<b>Hydro Group</b>	<b>7.5%</b>	<b>(0.9)%</b>	<b>6.0%</b>	<b>11.2%</b>	<b>6.5%</b>	<b>7.5%</b>	<b>4.9%</b>

	Adjusted RoCE						
	2020	2019	2018	2017	2016	2015	2014
Hydro Bauxite & Alumina	5.9%	2.5%	6.0%	8.5%	2.8%	5.3%	(0.1)%
Hydro Aluminium Metal	2.9%	(2.6)%	4.7%	12.6%	5.2%	11.0%	10.4%
Hydro Metal Markets	21.4%	27.3%	19.4%	20.9%	15.9%	11.4%	19.4%
Hydro Extrusions <sup>2)</sup>	6.2%	5.7%	7.2%	6.6%			
Hydro Energy <sup>3)</sup>	8.7%	12.9%	18.8%	17.5%	18.1%	17.3%	17.4%
<b>Hydro Group</b>	<b>3.7%</b>	<b>1.3%</b>	<b>6.6%</b>	<b>9.6%</b>	<b>5.1%</b>	<b>9.2%</b>	<b>5.2%</b>

## Capital employed – upstream focus

NOK million	Mar 31, 2021
Hydro Bauxite & Alumina	18 998
Hydro Aluminium Metal	30 798
Hydro Metal Markets	2 821
Hydro Extrusions	23 387
Hydro Energy	7 862
Other and Eliminations	(1 966)
<b>Total</b>	<b>81 899</b>



Graph excludes BNOK (2.0) in capital employed in Other and Eliminations

1) RoCE at business area level is calculated using 25% tax rate (30% tax rate applied for years prior to 2017). For Hydro Energy, 80% tax rate is used for 2020 and 2019, 70% tax rate is used for 2018, 65% for 2017, 60% for 2016 and 55% for prior years.

2) Hydro Extrusions reflected as 50% equity accounted investment Q1-Q3 2017 and fully consolidated from Q4 2017

3) Hydro Energy reported RoCE for 2020 higher than previous years due to the Lyse transaction

# Operating segment information



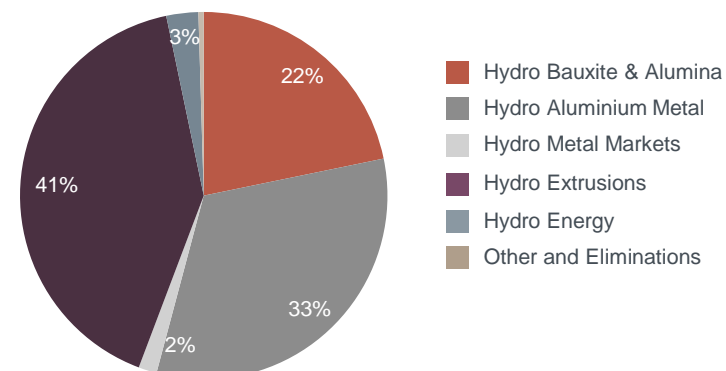
## Depreciation, amortization and impairment

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Year 2020
Hydro Bauxite & Alumina	567	503	470	472	443	2 011
Hydro Aluminium Metal	655	1 130	589	618	694	2 992
Hydro Metal Markets	36	37	35	40	36	149
Hydro Extrusions	554	2 046	597	587	628	3 785
Hydro Energy	65	65	64	66	49	260
Other and Eliminations	32	(133)	30	27	27	(43)
<b>Total</b>	<b>1 909</b>	<b>3 649</b>	<b>1 786</b>	<b>1 810</b>	<b>1 876</b>	<b>9 153</b>

## Indicative depreciation currency exposure by business area

Percent	USD	EUR	BRL	NOK & Other
Hydro Bauxite & Alumina			100%	
Hydro Aluminium Metal	30%	5%	15%	50%
Hydro Metal Markets	35%	50%		15%
Hydro Extrusions	50%	35%		15%
Hydro Energy				100%
Other and Eliminations	5%	30%	5%	60%

## Depreciation by business area 2020, 9.2 BNOK



# Income statements



NOK million	Q1 2021	Q1 2020	Q4 2020	Year 2020
Revenue	31 951	31 609	29 823	114 291
Share of the profit (loss) in equity accounted investments	125	(4)	155	223
Other income, net	377	426	5 683	7 414
<b>Total revenue and income</b>	<b>32 454</b>	<b>32 031</b>	<b>35 661</b>	<b>121 928</b>
Raw material and energy expense	19 126	18 701	17 875	68 953
Employee benefit expense	5 012	5 151	4 796	19 123
Depreciation and amortization expense	1 754	1 896	1 747	7 175
Impairment of non-current assets	122	12	63	1 979
Other expenses	4 207	4 042	4 356	15 343
<b>Earnings before financial items and tax (EBIT)</b>	<b>2 233</b>	<b>2 228</b>	<b>6 824</b>	<b>9 356</b>
Finance income	39	34	101	290
Finance expense	385	(4 462)	1 148	(4 842)
Income (loss) before tax	2 657	(2 200)	8 072	4 804
Income taxes	(776)	457	(846)	(918)
<b>Income (loss) from continuing operations</b>	<b>1 880</b>	<b>(1 743)</b>	<b>7 226</b>	<b>3 886</b>
Loss from discontinued operations	(380)	(282)	(1 849)	(2 226)
<b>Net income (loss)</b>	<b>1 500</b>	<b>(2 025)</b>	<b>5 377</b>	<b>1 660</b>
Net income (loss) attributable to non-controlling interests	60	(214)	252	(185)
Net income (loss) attributable to Hydro shareholders	1 441	(1 811)	5 125	1 845
Earnings per share from continuing operations	0.89	(0.75)	3.40	1.99
Earnings per share from discontinued operations	(0.19)	(0.14)	(0.90)	(1.09)
<b>Earnings per share attributable to Hydro shareholders</b>	<b>0.70</b>	<b>(0.88)</b>	<b>2.50</b>	<b>0.90</b>

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Year 2020
Income (loss) from continuing operations	(1 743)	(1 487)	(111)	7 226	1 880	3 886
Net income (loss)	(2 025)	(1 471)	(221)	5 377	1 500	1 660
<b>Adjusted net income (loss) from continuing operations</b>	<b>834</b>	<b>318</b>	<b>607</b>	<b>1 089</b>	<b>2 448</b>	<b>2 848</b>
Earnings per share from continuing operations	(0.75)	(0.62)	(0.05)	3.40	0.89	1.99
Earnings per share attributable to Hydro shareholders	(0.88)	(0.61)	(0.11)	2.50	0.70	0.90
<b>Adjusted earnings per share from continuing operations</b>	<b>0.39</b>	<b>0.17</b>	<b>0.28</b>	<b>0.47</b>	<b>1.15</b>	<b>1.32</b>



# Balance sheet



NOK million	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020
Cash and cash equivalents	15 011	17 638	17 495	15 385	12 160
Short-term investments	4 348	4 091	5 399	5 110	1 641
Trade and other receivables	16 795	18 364	20 268	18 916	24 539
Inventories	14 316	19 492	19 288	20 382	22 464
Other current financial assets	328	470	553	687	1 119
Assets held for sale	17 069	-	-	-	-
Property, plant and equipment	53 890	64 245	68 657	70 478	77 909
Intangible assets	8 796	9 357	9 903	10 262	12 649
Investments accounted for using the equity method	17 227	17 288	12 048	12 619	13 845
Prepaid pension	7 812	7 064	5 959	5 603	5 242
Other non-current assets	6 634	6 398	6 295	6 704	7 663
<b>Total assets</b>	<b>162 228</b>	<b>164 408</b>	<b>165 865</b>	<b>166 145</b>	<b>179 232</b>
Bank loans and other interest-bearing short-term debt	4 701	4 748	6 915	7 094	7 728
Trade and other payables	17 462	18 948	17 865	16 693	21 558
Other current liabilities	4 036	5 352	3 660	3 721	4 771
Liabilities included in disposal group	12 266	-	-	-	-
Long-term debt	23 658	24 811	25 873	26 595	21 290
Provisions	4 132	5 605	6 144	6 283	6 892
Pension liabilities	9 341	19 167	19 679	18 933	19 893
Deferred tax liabilities	3 535	3 059	2 620	2 562	2 838
Other non-current liabilities	5 393	5 273	6 215	5 401	7 089
Equity attributable to Hydro shareholders	74 745	74 279	73 833	75 633	83 213
Non-controlling interests	2 958	3 165	3 062	3 230	3 959
<b>Total liabilities and equity</b>	<b>162 228</b>	<b>164 408</b>	<b>165 865</b>	<b>166 145</b>	<b>179 232</b>

# Operational data



Hydro Bauxite & Alumina	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Year 2020
Alumina production (kmt)	1 531	1 442	1 074	1 410	1 540	5 457
Sourced alumina (kmt)	664	667	940	783	698	3 053
Total alumina sales (kmt)	2 140	2 243	1 990	2 122	2 269	8 495
Realized alumina price (USD) <sup>1)</sup>	278	261	260	272	294	268
Implied alumina cost (USD) <sup>2)</sup>	226	192	228	241	243	221
Bauxite production (kmt) <sup>3)</sup>	2 585	2 332	1 167	2 556	2 813	8 640
Sourced bauxite (kmt) <sup>4)</sup>	1 514	1 315	2 051	1 351	1 103	6 231
Adjusted EBITDA margin <sup>11)</sup>	18.3%	25.1%	10.8%	10.7%	16.6%	16.6%

Hydro Aluminium Metal <sup>5)</sup>	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Year 2020
Realized aluminium price LME, USD/mt	1 758	1 579	1 596	1 792	1 993	1 685
Realized aluminium price LME, NOK/mt <sup>7)</sup>	16 658	15 689	14 712	16 364	16 999	15 870
Realized premium above LME, USD/mt <sup>6)</sup>	234	212	211	224	264	220
Realized premium above LME, NOK/mt <sup>6)7)</sup>	2 212	2 106	1 946	2 042	2 253	2 077
Realized NOK/USD exchange rate <sup>7)</sup>	9.47	9.93	9.22	9.13	8.53	9.42
Implied primary cost (USD) <sup>8)</sup>	1 450	1 400	1 450	1 425	1 500	1 425
Implied all-in primary cost (USD) <sup>9)</sup>	1 700	1 600	1 650	1 650	1825	1 650
Hydro Aluminium Metal production, kmt	528	509	522	532	539	2 091
Casthouse production, kmt	504	478	508	523	534	2 013
Total sales, kmt <sup>10)</sup>	577	510	548	547	599	2 182
Adjusted EBITDA margin <sup>11)</sup>	12.3%	7.2%	4.9%	16.4%	19.6%	10.4%

1) Weighted average of own production and third party contracts, excluding hedge results. The majority of the alumina is sold linked to either the LME prices or alumina index with a one month delay. Sourced alumina volumes have been re-calculated, with Q1 2018 being adjusted accordingly

2) Implied alumina cost (based on EBITDA and sales volume) replaces previous apparent alumina cash cost

3) Paragominas production, on wet basis

4) 40 percent MRN offtake from Vale and 5 percent Hydro share on wet basis

5) Operating and financial information includes Hydro's proportionate share of production and sales volumes in equity accounted investments. Realized prices, premiums and exchange rates exclude equity accounted investments

6) Average realized premium above LME for casthouse sales from Hydro Aluminium Metal

7) Including strategic hedges /hedge accounting applied

8) Realized LME price minus Adjusted EBITDA margin (incl. Qatalum) per mt primary aluminium produced. Includes net earnings from primary casthouses

9) Realized all-in price minus Adjusted EBITDA margin (incl. Qatalum) per mt primary aluminium sold. Includes net earnings from primary casthouses

10) Total sales replaces previous casthouse sales due to change of definition

11) Adjusted EBITDA divided by total revenues

# Operational data



Hydro Metal Markets	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Year 2020
Remelt production (1 000 mt)	137	88	124	140	143	488
Third-party sales (1 000 mt)	79	85	85	77	77	326
Hydro Metal Markets sales excl. ingot trading (1 000 mt) <sup>1)</sup>	675	606	668	672	742	2 621
Hereof external sales excl. ingot trading (1 000 mt)	554	459	526	549	588	2 088
External revenue (NOK million)	10 353	8 510	9 242	9 788	10 789	37 893

Hydro Extrusions	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Year 2020
Hydro Extrusions external shipments (1 000 mt)	305	224	278	291	338	1 099
Hydro Extrusions – Pro-forma adjusted EBIT per mt, NOK	2 301	398	3 214	1 755	3 680	1 999
Adjusted EBITDA margin <sup>2)</sup>	8.2%	5.6%	10.6%	7.2%	10.7%	8.0%

Hydro Energy	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Year 2020
Power production, GWh	2 868	2 097	3 161	3 396	2 857	11 522
Net spot sales, GWh	1 169	444	1 401	1 595	1 126	4 609
Nordic spot electricity price, NOK/MWh	158	62	95	148	435	116
Southern Norway spot electricity price (NO2), NOK/MWh	154	50	52	137	469	98
Adjusted EBITDA margin <sup>2)</sup>	23.9%	8.5%	13.0%	22.2%	35.9%	17.9%

1) Includes external and internal sales from primary casthouse operations, remelters and third party Metal sources

2) Adjusted EBITDA divided by total revenues

# Hydro Extrusions, information by business area



Precision Tubing	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021
Volume (kmt)	29	17	28	33	108	35
Operating revenues (NOKm)	1 487	931	1 360	1 583	5 361	1 718
Adjusted EBITDA (NOKm)	118	139	167	178	602	210
Adjusted EBIT (NOKm)	57	74	113	115	359	157

Building Systems	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021
Volume (kmt)	19	17	19	20	74	21
Operating revenues (NOKm)	2 199	1 991	2 032	2 211	8 432	2 315
Adjusted EBITDA (NOKm)	156	206	260	171	792	245
Adjusted EBIT (NOKm)	52	101	155	63	371	149

Other and eliminations	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021
Adjusted EBITDA (NOKm)	(79)	(48)	(58)	(71)	(256)	(73)
Adjusted EBIT (NOKm)	(82)	(52)	(61)	(74)	(269)	(77)

Extrusion Europe	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021
Volume (kmt)	127	94	113	118	451	144
Operating revenues (NOKm)	5 804	4 440	5 068	5 531	20 843	6 529
Adjusted EBITDA (NOKm)	436	142	478	466	1 523	705
Adjusted EBIT (NOKm)	228	(75)	283	266	703	501

Extrusion North America	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021
Volume (kmt)	130	96	119	121	465	137
Operating revenues (NOKm)	5 885	4 554	5 067	5 288	20 794	5 904
Adjusted EBITDA (NOKm)	599	220	563	310	1 691	663
Adjusted EBIT (NOKm)	435	49	402	151	1 036	518



Next event

**Second quarter results  
July 23, 2021**

For more information see  
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# Investor Relations in Hydro



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