



Lifting profitability, driving sustainability

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Hydro – a global supplier of aluminium

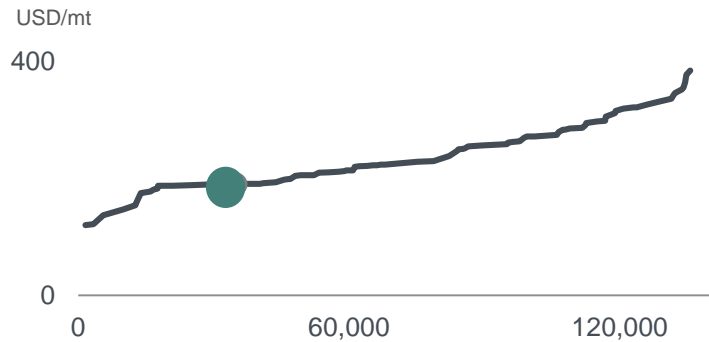


Strong positions held along value chain

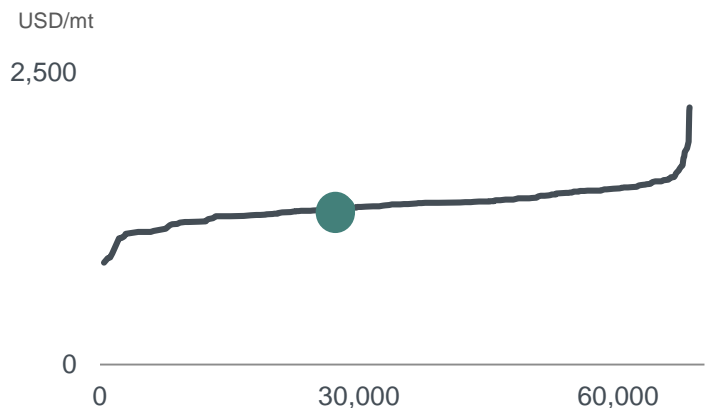
Upstream

Solid cost positions within the aluminium value chain

Alumina business operating cost curve by company (April 2020)

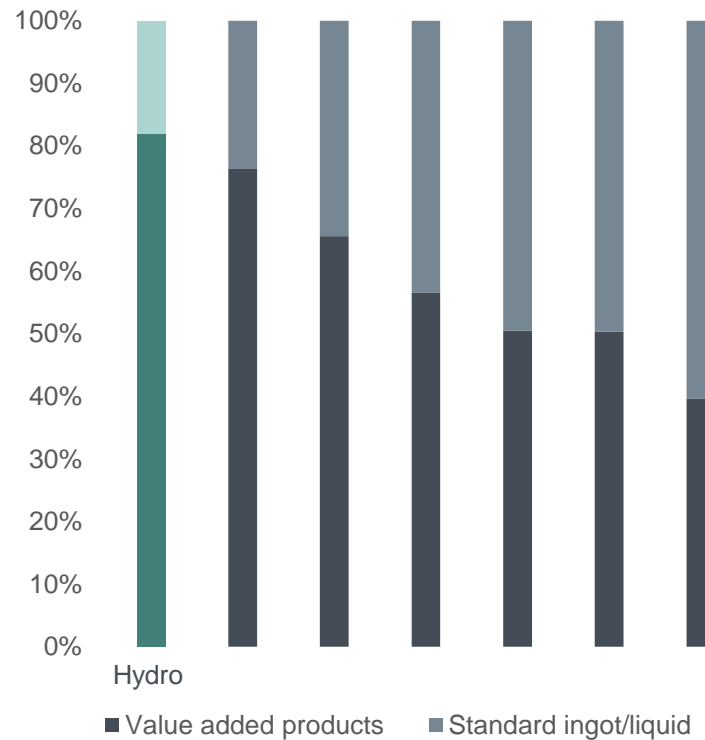


Smelter business operating cost curve by company (April 2020)



Midstream

Strong position in value added products¹⁾

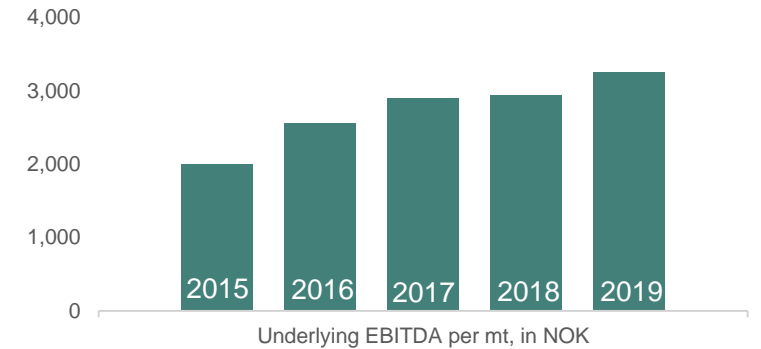


Source: Republished under license from CRU International Ltd
Actual figures for Hydro sales 2018

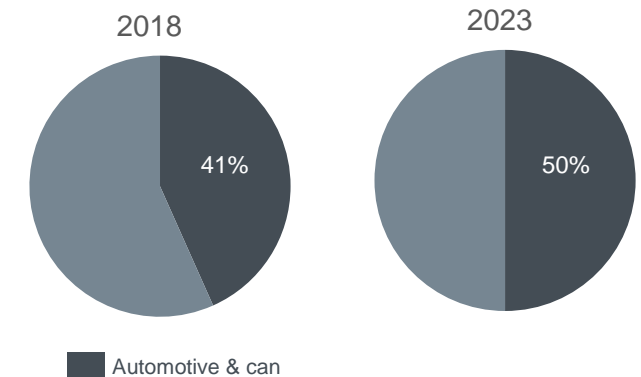
1) % of total shares being value added products; extrusion ingot, wire rod, sheet ingot and primary foundry alloy

Downstream

Improving EBITDA per mt – successful value over volume strategy in Extruded Solutions



Increasing automotive/can share in Rolled Product



Demand drivers for aluminium

The properties of aluminium drive solid demand growth across multiple segments

Aluminium – the metal of the future

Lightweight

1/3 density of steel

Corrosion resistant

Protective oxide layer

Formability

Extrusion, rolling, casting. Low melting point vs steel

Recyclability

75% of all aluminium produced still in use

Excellent conductivity

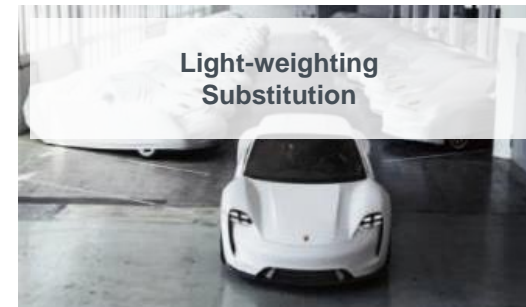
Thermal and electrical

Alloying technology

Wide range of physical properties

Solid demand growth drivers across many segments

Transport



Packaging



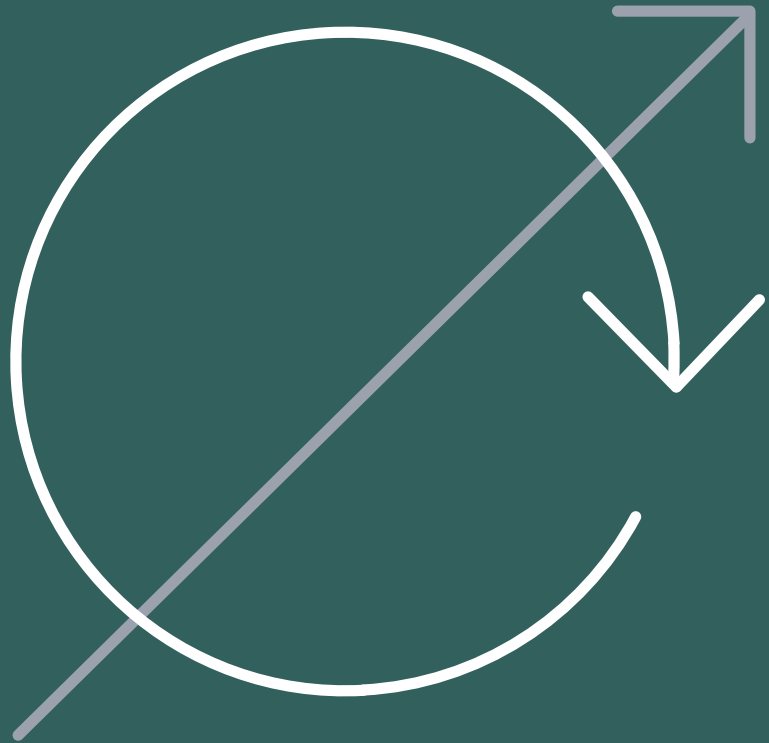
Building & construction



Electrical



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Investor Day 2019

New agenda was announced

- BNOK 7.3 improvement ambition
- Strategic review & restructuring of Rolled Products
- Stricter and new capital allocation framework
- 10% RoaCE target over the cycle¹⁾
- Cut CO₂ emissions by 30% by 2030
- Differentiation through low carbon products

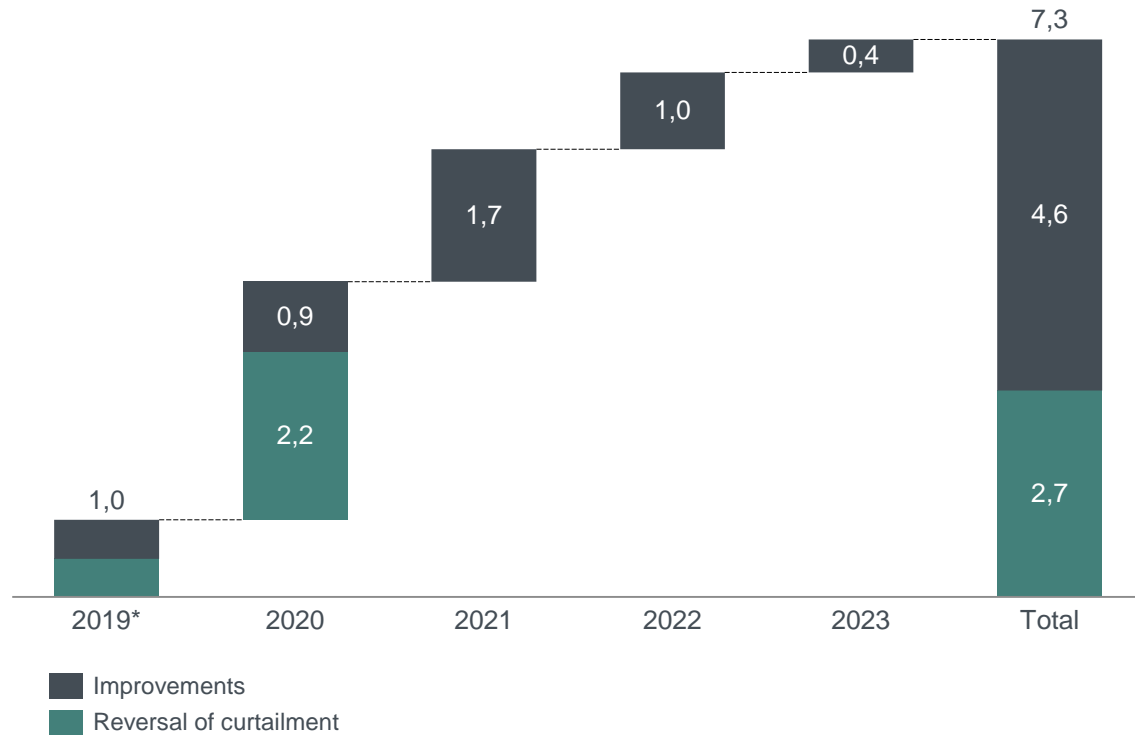
1) 10% target is Underlying Return on Average Capital Employed

Improvement target of MNOK 7.3 by 2023

We are on track to deliver

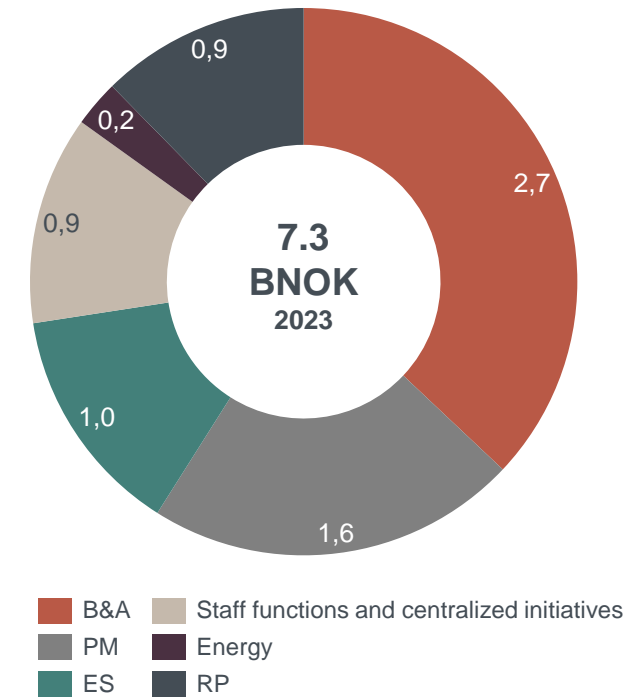
Improvement status end-2019

In NOK billion



Improvements by business area

In NOK billion



* Excludes negative effects of cyber attack for Extruded Solutions .
~10-11 BNOK in capex required to meet the improvement targets

Different strategic modes and differentiated capital allocation

Safe, compliant and efficient operations
– The Hydro Way

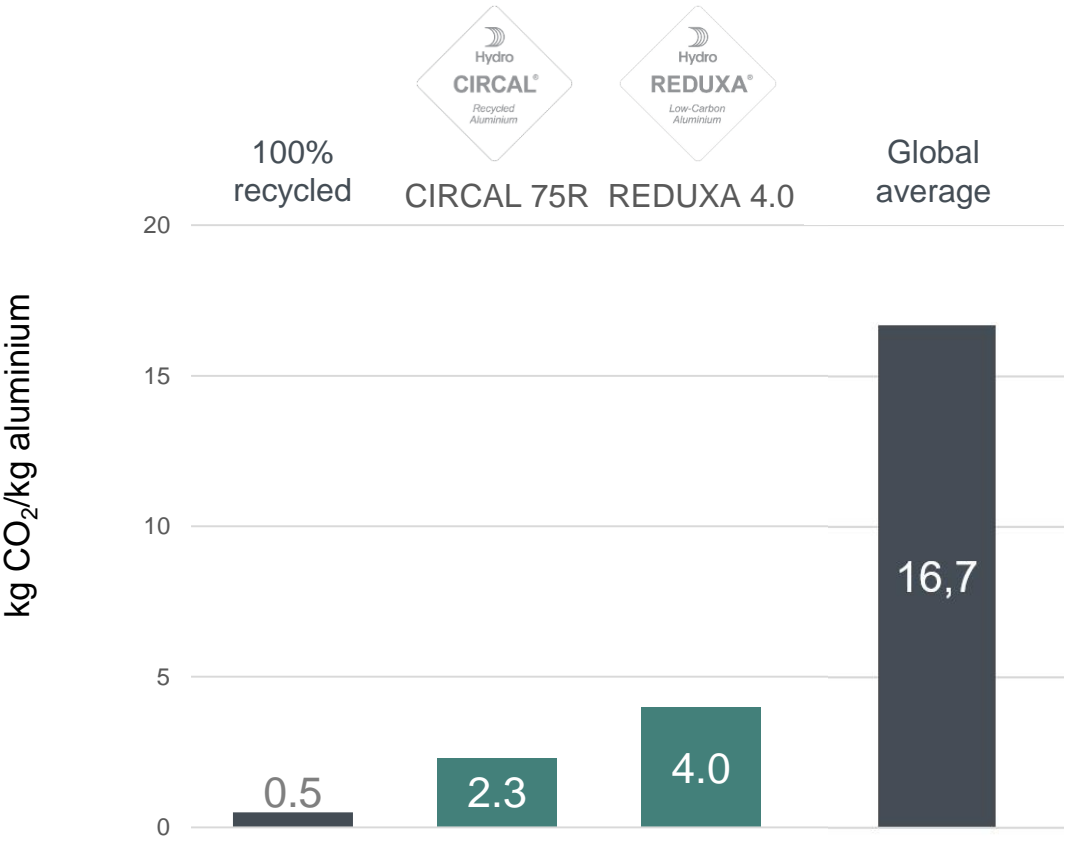


<p>Business area</p>	 <p>Bauxite & Alumina</p>	 <p>Primary / Metal Markets</p>	 <p>Energy</p>	 <p>Rolled Products</p>	 <p>Extruded Solutions</p>
<p>Strategic mode</p>	<p>Sustain and improve*</p>		<p>Selective growth</p>	<p>Strategic review</p>	<p>Selective growth</p>
<p>Impact on capital allocation</p>	<p>Sustaining capex and cost efficiency (Creep and recycling with high profitability)</p>		<p>Selected growth investments</p>	<p>Sustaining CAPEX and cost efficiency</p>	<p>Selected growth investments both organic and M&A</p>

*Creep and recycling with high profitability

Our climate footprint is a unique competitive edge

New brands launched in 2019



Sources: EAA, IAI, Hydro internal analysis





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Priorities

- Health and safety first – protecting people and communities
- Keeping the wheels turning – maintaining operations and generating cash
- Thinking ahead – implementing mitigating actions and positioning Hydro post-Covid-19



Hydro

We are aluminium

