



Norsk Hydro ASA

Morgan Stanley Fireside

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EVP and CFO

19 January 2022

Strong LME and premiums

- Q4-average sees continued elevated prices
 - LME 44% higher in 4Q21 vs 4Q20
 - PAX 41% higher in 4Q21 vs 4Q20
- Restrictions on supply growth, especially in China, reduce risk of sustained over-capacity next decade
- Magnesium covered H1 2022
 - Hydro has local sourcing teams in China
- Well hedged against volatile energy markets
- Green transition in major regions requires more aluminium, e.g., higher aluminium content in EVs

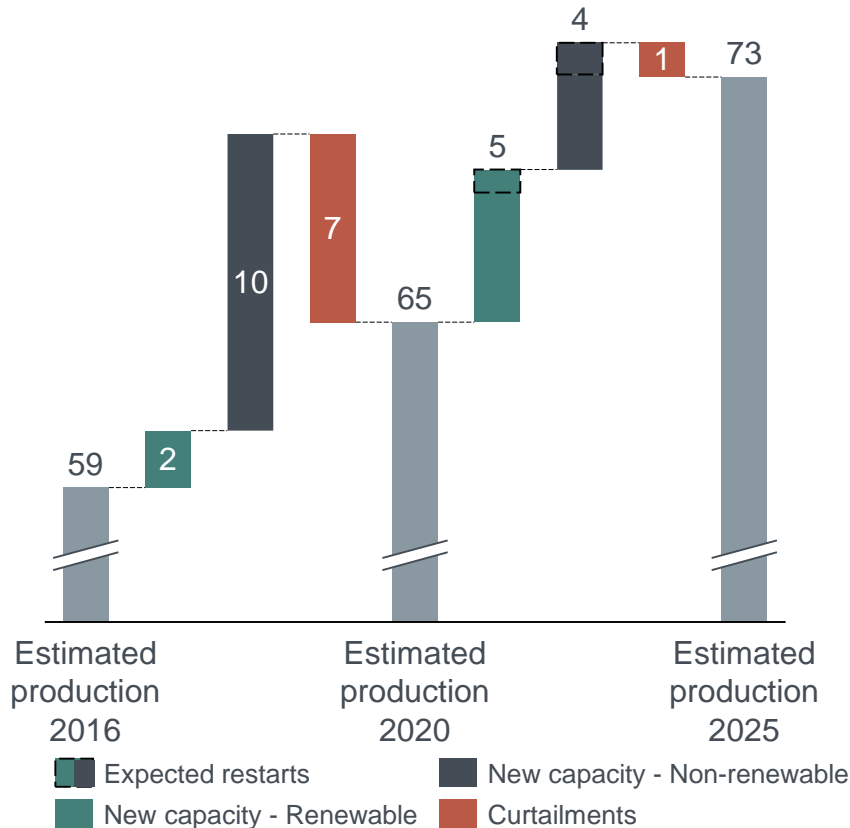


Supply side impacted by climate megatrends

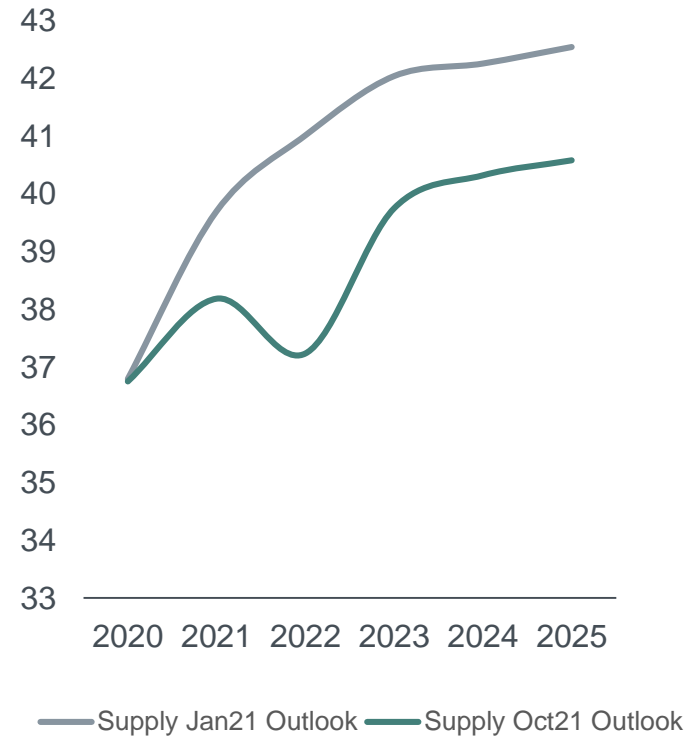


Energy policy impacting Chinese supply and driving deficit in coming years

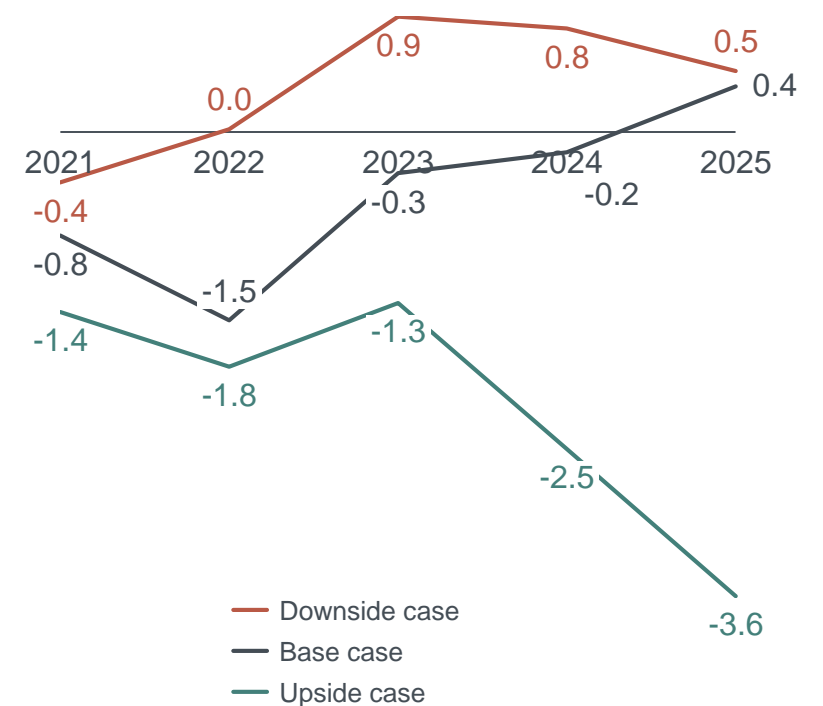
Global production estimates
Million tonnes, primary aluminium



China annual supply
Million tonnes, primary aluminium



Global balance estimates¹⁾
Million tonnes, primary aluminium



1) Downside, base, and upside cases are lowest, median, and highest balance selected from cited consultancies
Source: CRU, Woodmac, Harbor, Citi and Goldman Sachs

Aluminium part of the solution to the global climate crisis



Rising demand across all segments

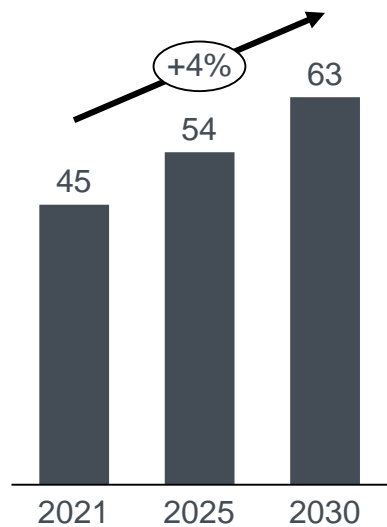
Sustainable and smart mobility

Renovated, energy efficient buildings

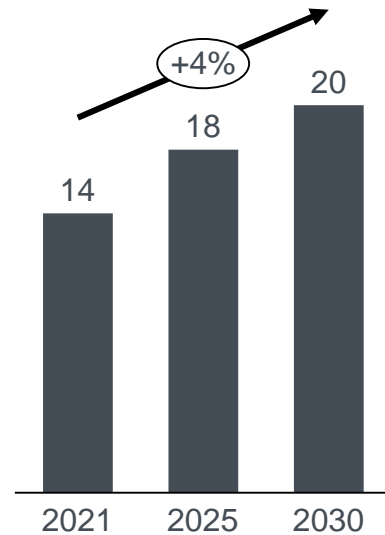
Cleaner energy and cutting-edge clean technological innovation

Longer lasting products that can be repaired, recycled and re-used

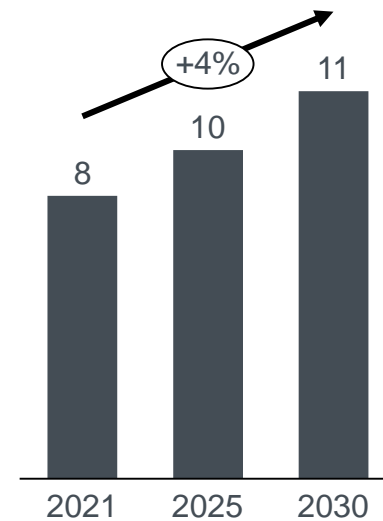
Semis demand¹⁾
Tonnes millions



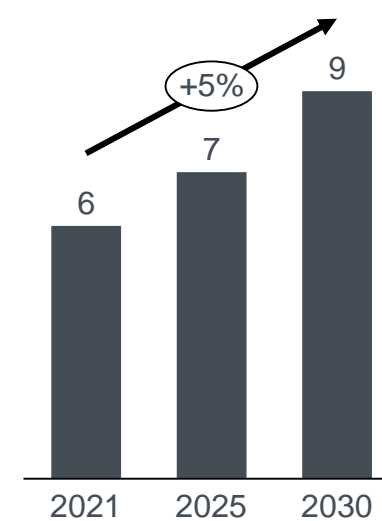
Semis demand – Auto¹⁾
Tonnes millions



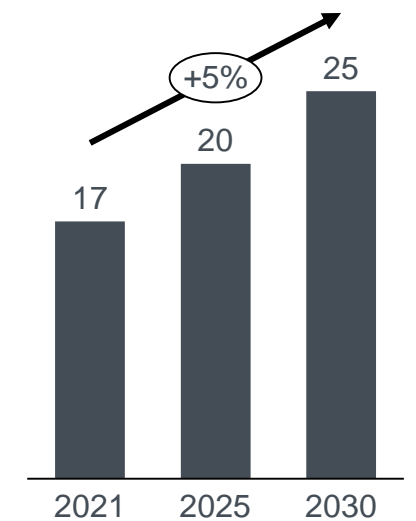
Semis demand – B&C¹⁾
Tonnes millions



Semis demand – Energy/electricity¹⁾
Tonnes millions



Recycled aluminium production¹⁾
Tonnes millions



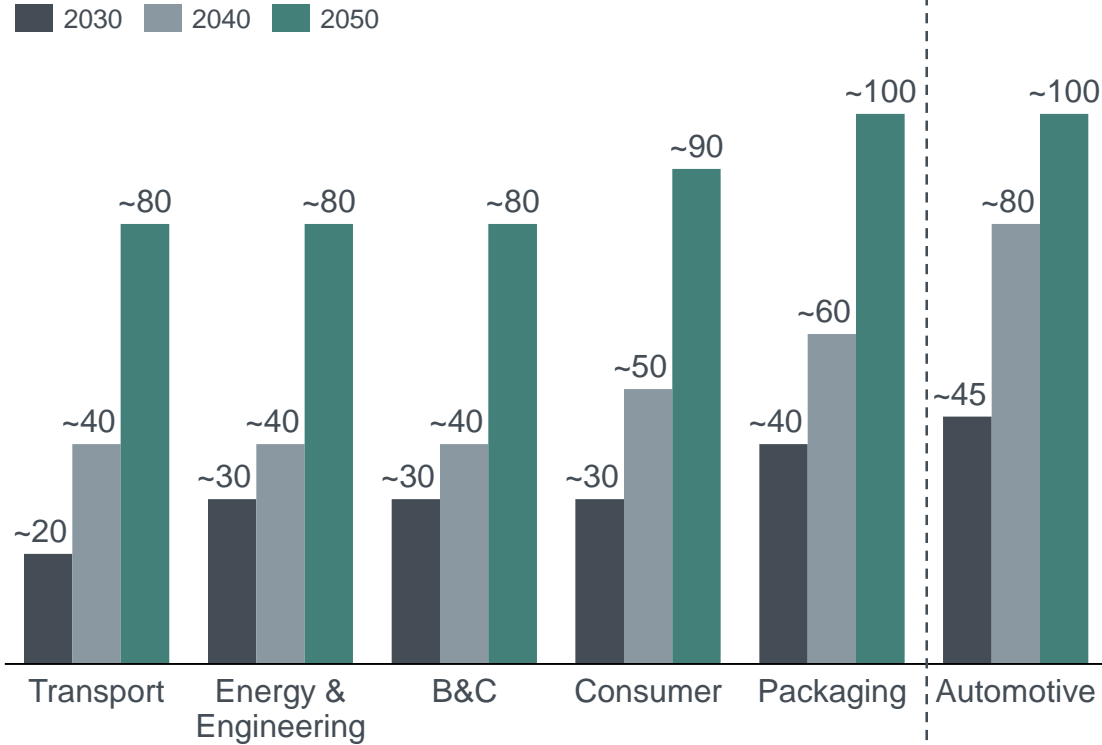
1) All figures World ex-China
Source: CRU

Expecting strong demand for greener aluminium

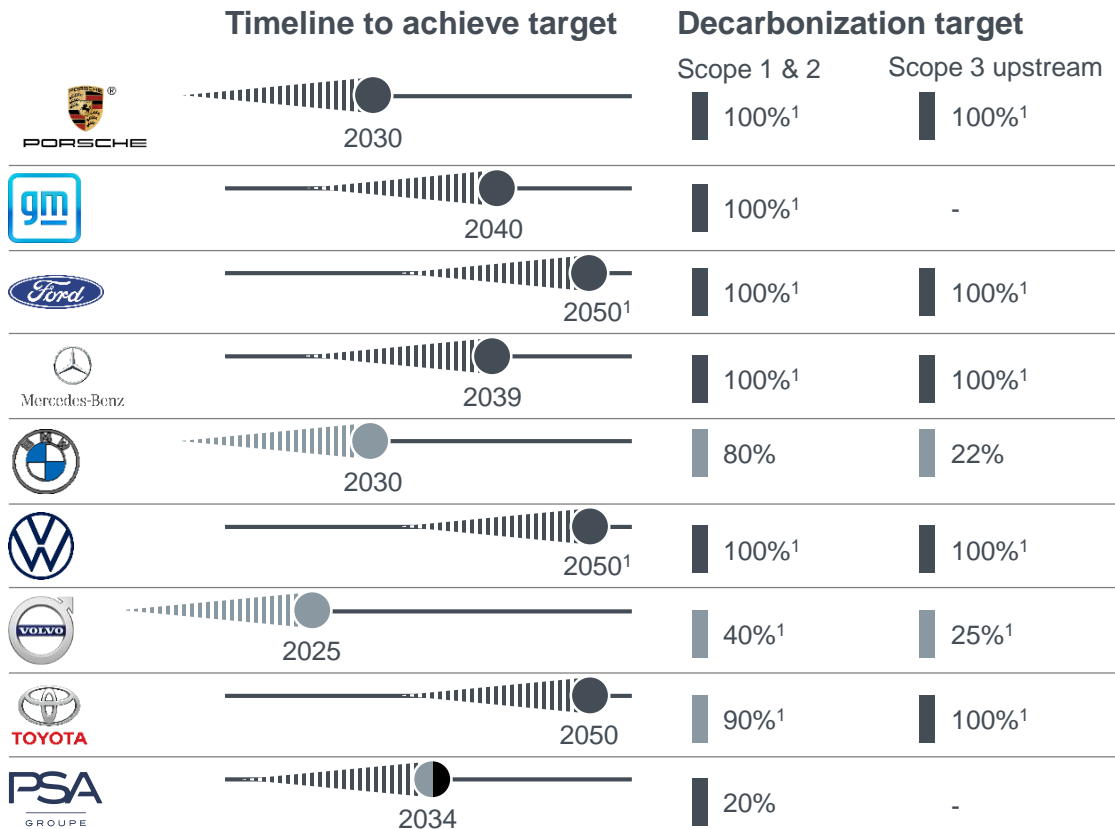


Ambitious abatement targets driving demand in all sectors but especially Automotive OEMs

Share of greener¹⁾ aluminium demand per segment
% greener of total aluminium demand



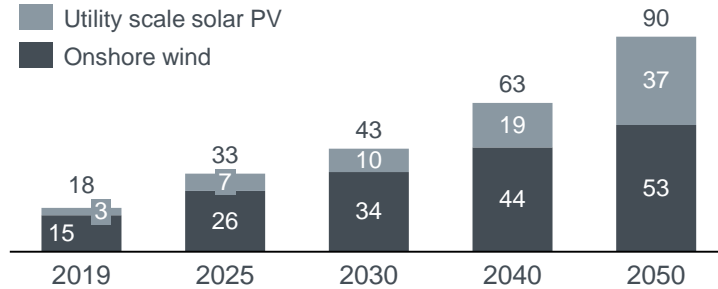
OEMs are pushing for ever more ambitious lifecycle decarbonization targets



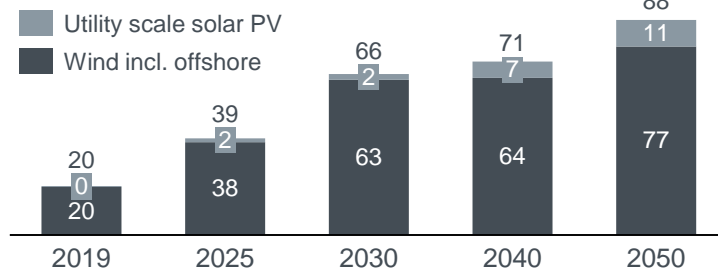
¹⁾ Greener aluminium includes "near zero" tCO₂/t, <2 tCO₂/t and 50%+ PCS-aluminium
Source: McKinsey market analysis (high level estimate)

Strong demand for renewables and storage/energy carrier solutions

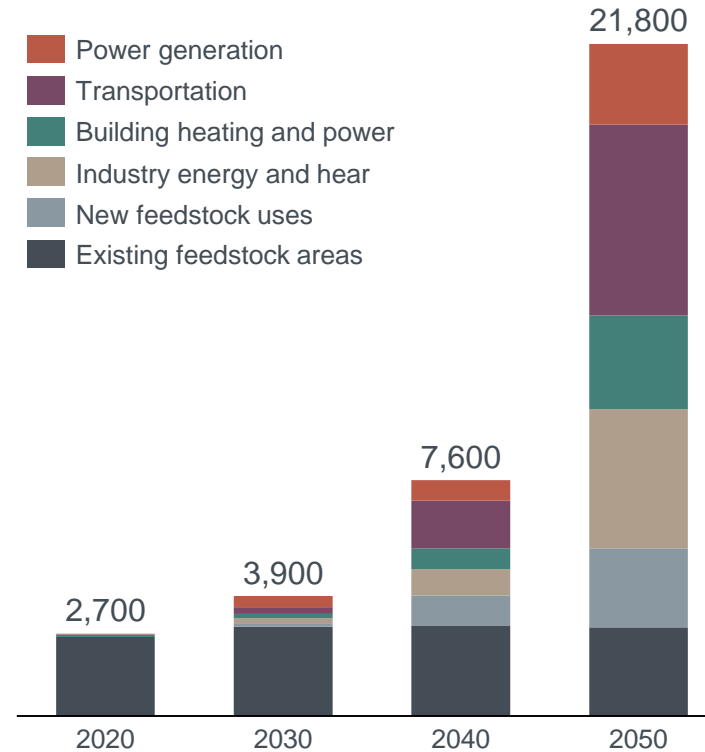
Brazil renewable capacity forecast
GW



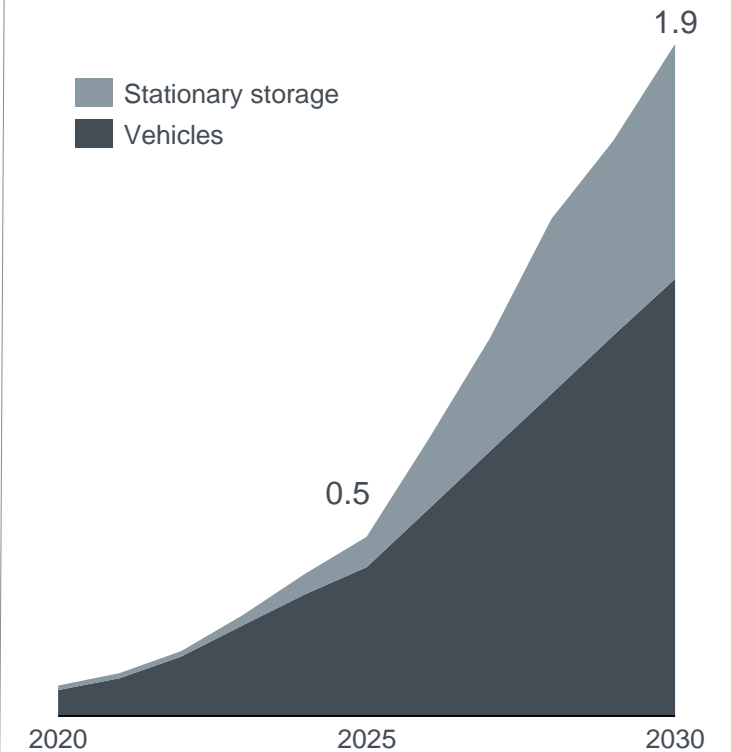
Northern Europe¹⁾ renewable capacity forecast
GW



Global hydrogen demand
TWh



European battery demand
TWh



1) Northern Europe includes Norway, Denmark, Sweden, Finland, Estonia, Lithuania and Latvia
Source: BloombergNEF, IRENA – Corporate sourcing of renewables: Market and Industry Trends, Statnett, Rystad Energy 1,6 scenario IPCC for batteries



Strategy update

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Progress made on the 2025 strategy

Seizing opportunities where our capabilities match the megatrends

1 Strengthen position in low-carbon aluminium



2 Diversify and grow in new energy



Strengthen position in low-carbon aluminium



Improvement program, commercial ambition and recycling investments key strategic levers

Cost-competitive asset base



- Safety and operational excellence
- 1st quartile cost positions upstream
- Continuous improvement and optimization of portfolio

Commercial uplift



- New products, including greener brands
- Market share in attractive segments
- Margin expansion in customer projects
- Substitution potential

Recycling growth



- Double post-consumer scrap use by 2025
- Develop recycling value chain from sourcing to products and customers
- Strong market position across value chain



Profitability & Sustainability



Hydro

Industries that matter