



Extruded Solutions — value over volume

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Organized in four business units to maximize synergies across units



22,400 highly competent people across the world, total turnover of BNOK 63

Extrusion Europe



- Market leader focusing on value-added products
- 22% market share
- 40 locations, 9,800 people

Revenue (2018)	EBIT (2018)
BNOK 23.9	BNOK 0.7

Extrusion North America



- Uniquely positioned as the only coast-to-coast supplier
- 24% market share
- 23 locations, 6,300 people

Revenue (2018)	EBIT (2018)
BNOK 24.0	BNOK 1.2

Precision Tubing



- Technology leader in selected market niches
- 35% market share globally
- 17 locations, 3,400 people

Revenue (2018)	EBIT (2018)
BNOK 7.0	BNOK 0.3

Building Systems



- Leading European player with multi-brand portfolio
- 18% market share in Europe
- Presence in 29 countries, 2,900 people

Revenue (2018)	EBIT (2018)
BNOK 7.9	BNOK 0.4

Extruded Solutions is growing and moving ahead with sustainability certifications



Acquisition of accessories for windows company

Important competence add-on with accessories for windows and doors, located in Germany



ASI certified in the Netherlands

Extruded Solutions got the first certificate in November and several plants to follow in 2019

CMD
2017

Acquisition of two plants in Brazil

Two extrusion plants and a cast house acquired from Arconic in Brazil



Decision to invest in new press in the US

45 MUSD invested in high performance press in Cressona, to mainly serve the automotive market in the US

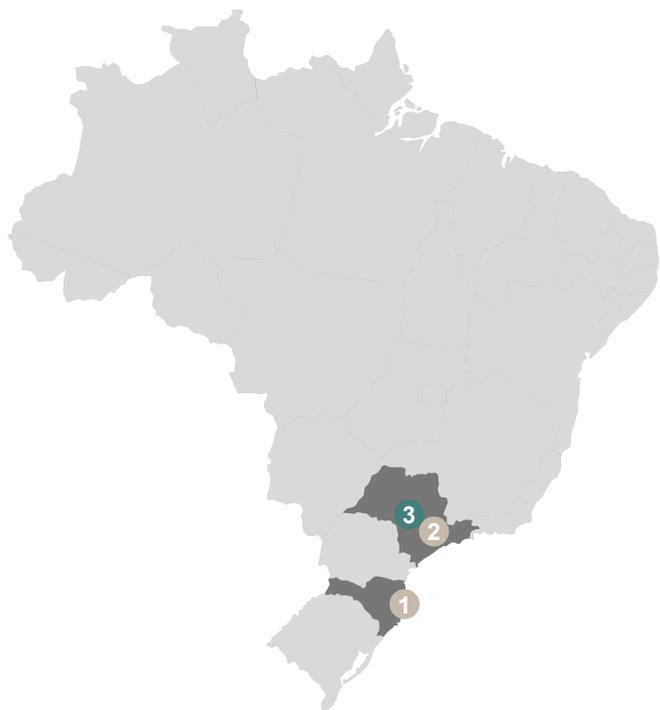


CMD
2018

Hydro acquired two Brazilian extrusion plants from Arconic, integration well on track, but EBIT still negative



Regional distribution



Assets overview

	1) Tubarão	2) Utinga	3) Itu
Employees	~310	~320	~380
Installed Capacity	~35 000 tonnes/year general extrusion (4 presses)	~23 000 tonnes/year general extrusion (3 presses)	~22/8 000 tonnes/year general extrusion/ precision tubing (4 presses)
Market segments	Primarily Building & construction	Primarily Industrials and automotive	Industrials
Additional Capabilities	<ul style="list-style-type: none"> • Central die shop • Anodizing facility 	<ul style="list-style-type: none"> • Cast house • Fabrication shop 	<ul style="list-style-type: none"> • Cast house • Fabrication shop

Notter, inhouse competence center to develop proprietary accessories and hardware



Short facts:

- Acquired in May, 2018
- Located in Mainhardt, Germany
- Turnover MEUR 2.1
- Customers: 85% Europe, 15% North America and Asia
- 30 employees

Key products:

- Tilt/turn hardware with visible and concealed hinges
- Handles (die casting is outsourced)
- Sliding and folding hardware
- Friction stays and parallel scissos

Notter will eventually provide single hardware platform for all windows and doors in Building Systems



Leveraging the uniqueness of being a fully integrated aluminium company

- 75R enables offering customers certified product to help them meet their own ambitious climate strategies
- Hydro only fully integrated aluminium producer that can offer products based on minimum 75% recycled post-consumer scrap
- Building Systems promoting the 75R alloy in several different solutions
- First order signed with Kuwait Gulf Oil Company using the Technal MX Curtain Wall
- Extruded Solutions has purchased all volumes of 75R from Primary Metal until end of 2019



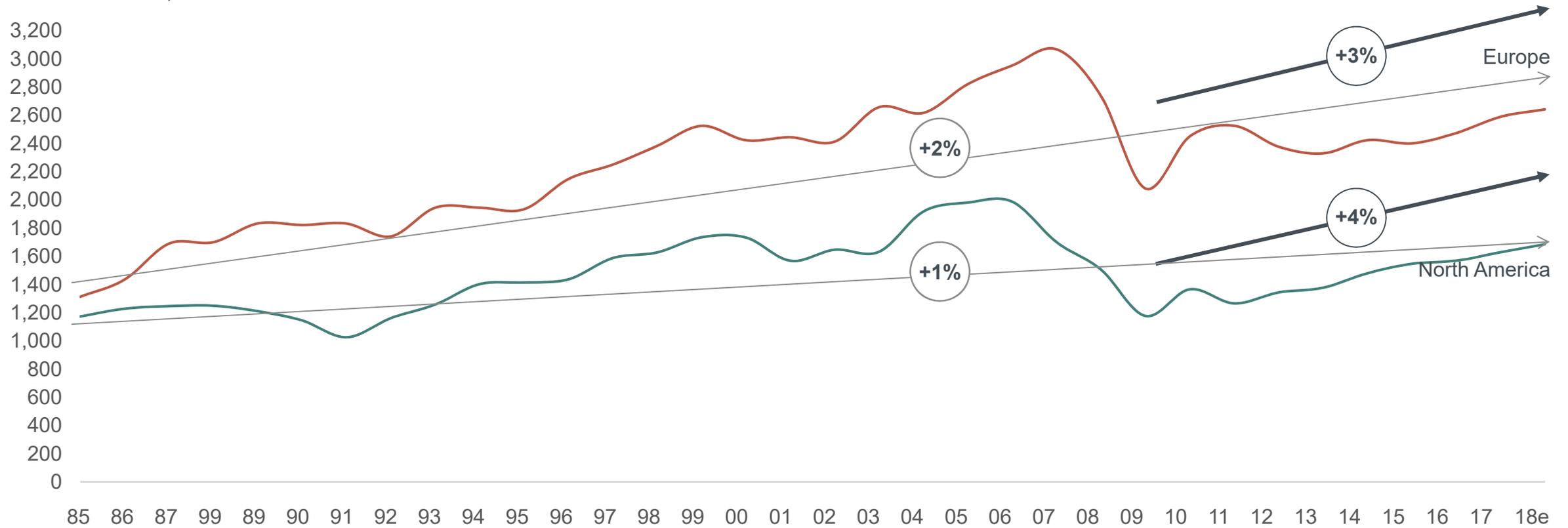
New headquarters of KGOC in Kuwait
– with Technal MX curtain wall



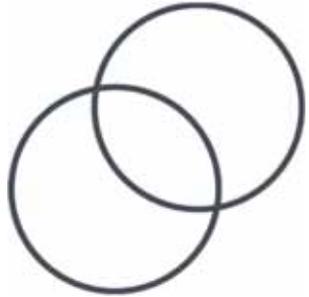
Moderate aluminium extrusion market growth, but 3-4% annual growth from 2009 levels



Extrusion market, in thousand tonnes



We continue our value-over-volume strategy



Simplify and collaborate

Simplification drive to increase focus, reduce complexity and cost



Deliver value-added to our customers

Higher share of value-added solutions to customers through commercial excellence and innovation



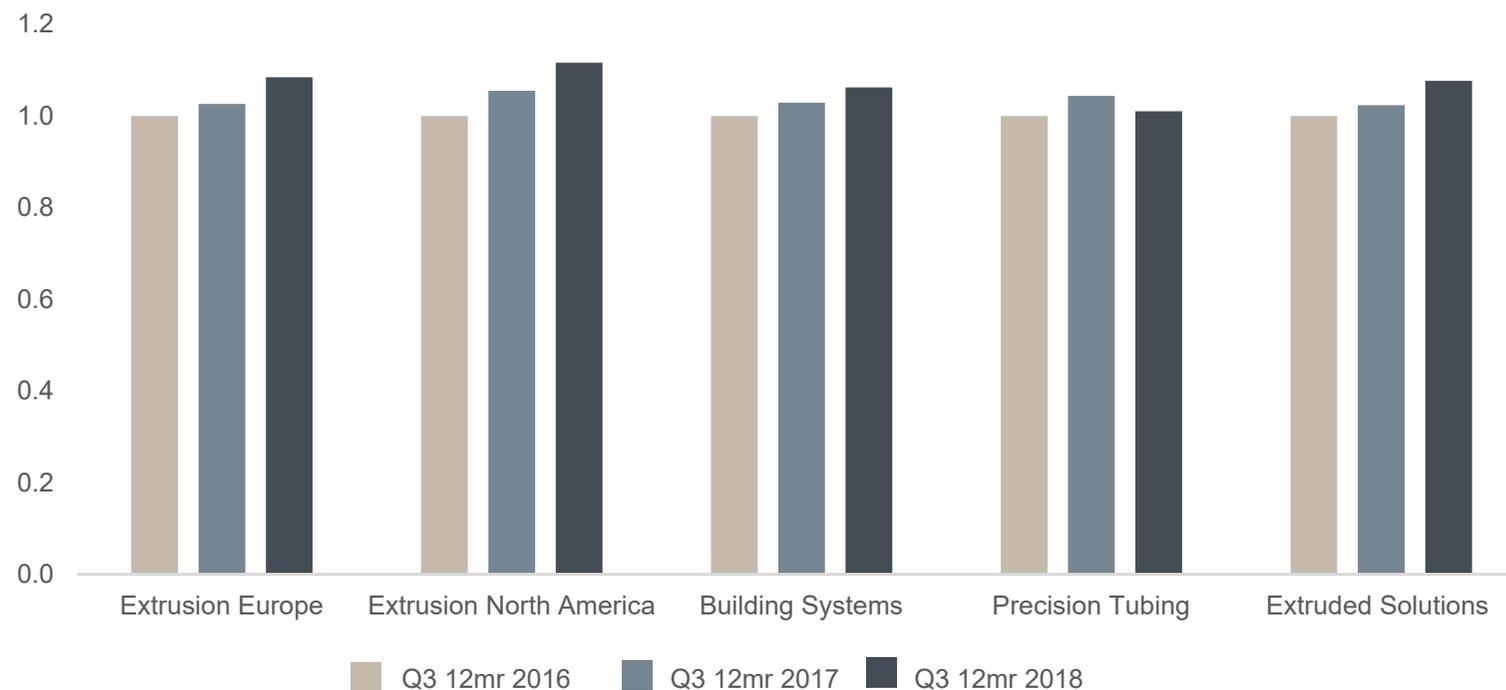
Grow to lift margins and profitability

Lifting margins and creating more customer value through selective growth

Continued improvements in net added value, driven by our value over volume strategy

- Growth will take place through material substitution and delivering on our strategy
- Average extrusion content per car in Europe increased with ~35% over last five years - further potential ¹⁾
- Our NAV will continue to increase as we shift our portfolio
- Continued cost control and spending in selected areas to build solid platform for future growth

Net added value per kg 12 month rolling
(NOK, indexed to Q3 2016)



1) Source: EA and Ducker



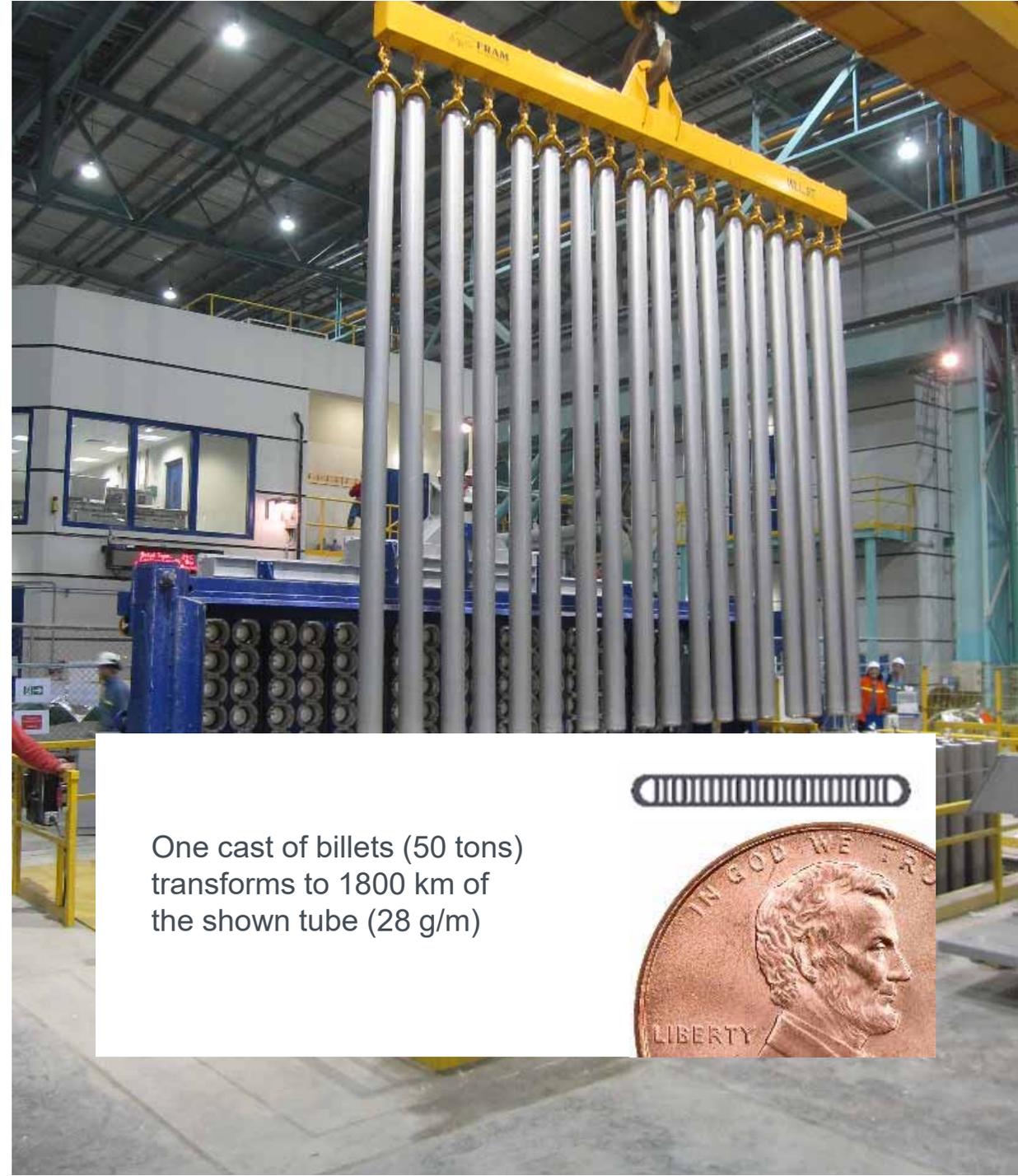
Simplification, value-added to customers and profitable growth translates into value creation

- Extruded Solutions aims to deliver minimum 10% average annual underlying EBIT growth over the next three years
- Ambition includes smaller bolt-on acquisitions ¹⁾, larger acquisitions would come in addition
- Return on capital should be well above cost of capital

1) Capex frames for the coming years in line with 2018

Development of extruded tubing parts

- Thin-walled tubing requires world-class material and world-class processes
- Hydro produces precision parts for the automotive heat exchanger industry
- Metal cleanliness is critical for product quality and process stability
- Cooperation and development between Primary Metal and Precision Tubing has given superior product quality and competitive advantage



One cast of billets (50 tons) transforms to 1800 km of the shown tube (28 g/m)



Extruded Solutions and Rolled Products meet the automotive market demands together

- Hydro is working globally on several battery solution projects
- The battery frame for electrical vehicles is extrusion intensive and can easily reach up to 100 kg, especially for premium vehicles and SUVs
- In a first joint project, Extruded Solutions is cooperating with Rolled Products on common technical solution, where flat rolled parts and extruded solutions are used
- Alignment regarding all new e-mobility projects in order to identify the best Hydro offering



Extruded Solutions key focus areas

- Safety – considerable reduction in high-risk incidents and accidents
- >10% annual EBIT growth on product mix change, simplification and cooperation
- Selective growth through bolt-on acquisitions