



# Second quarter 2021 Presentation

July 23, 2021





# Record results and continued positive market sentiment

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EVP & Chief Financial Officer

July 23, 2021

# Q2 2021

Adjusted EBITDA NOK 6 598 million

Free cash flow NOK 2 460 million

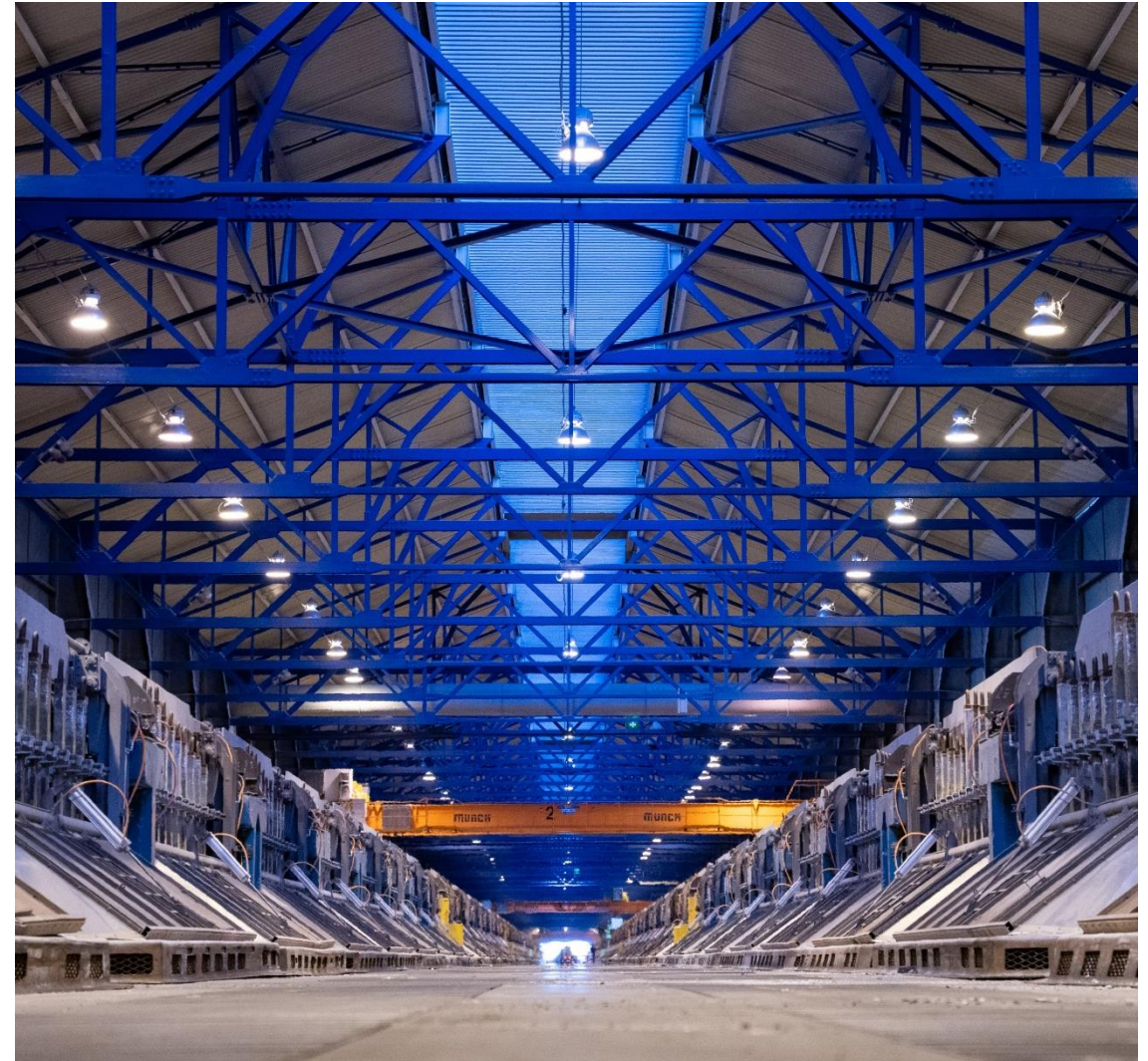
Record result in Aluminium Metal supported by LME prices and premiums

Robust operations, improvement program ahead of plan

Strong performance and executing on growth initiatives in Extrusions

Strengthening sustainability position, growth investments in Recycling

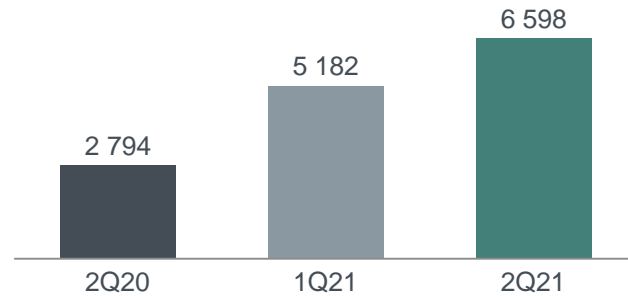
Sale of Rolling to KPS Capital Partners completed



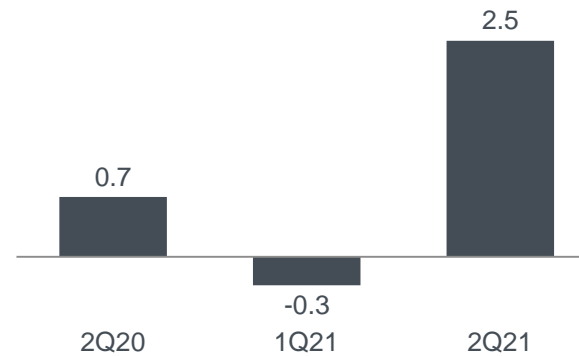
# Key performance metrics | Q2 2021



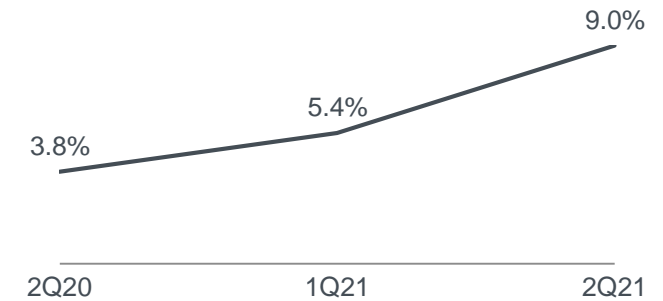
Adjusted EBITDA<sup>1)</sup>  
NOK million



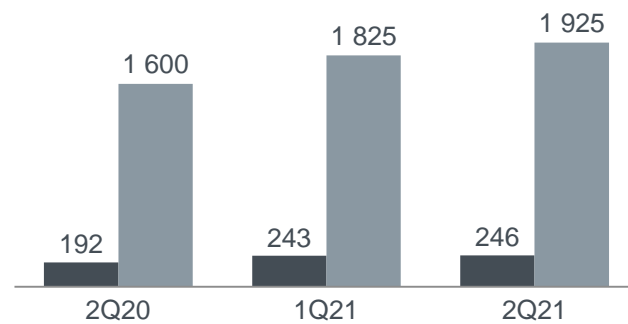
Free cash flow<sup>2)</sup>  
NOK billion



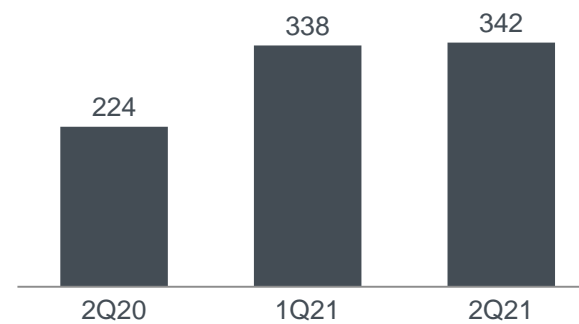
Adjusted RoaCE<sup>3)</sup>  
12-month rolling %



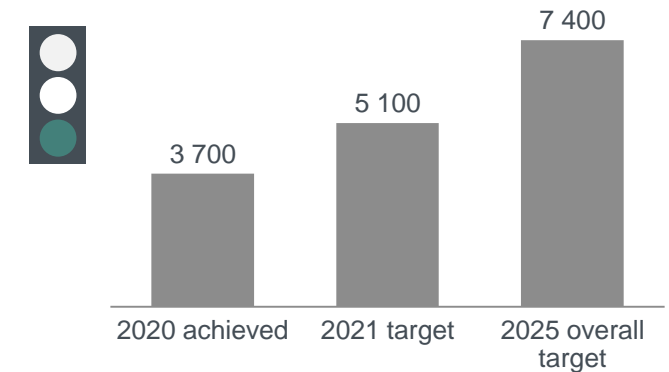
Upstream costs<sup>4,5)</sup>  
USD per tonne



Extrusion volumes  
Thousand tonnes



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



■ Bauxite & Alumina  
■ Aluminium Metal

■ Extrusions

1) 2020 restated as 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) Figures for 2Q20 as reported (not restated). 2Q21: Capital employed excluding Assets held for sale / Liabilities in

disposal groups.

4) Realized alumina price minus underlying EBITDA for B&A, per mt alumina sales  
5) Realized all-in aluminium price less underlying EBITDA margin, incl Qatalum, per mt aluminium sold. Implied primary cost and margin rounded to nearest USD 25

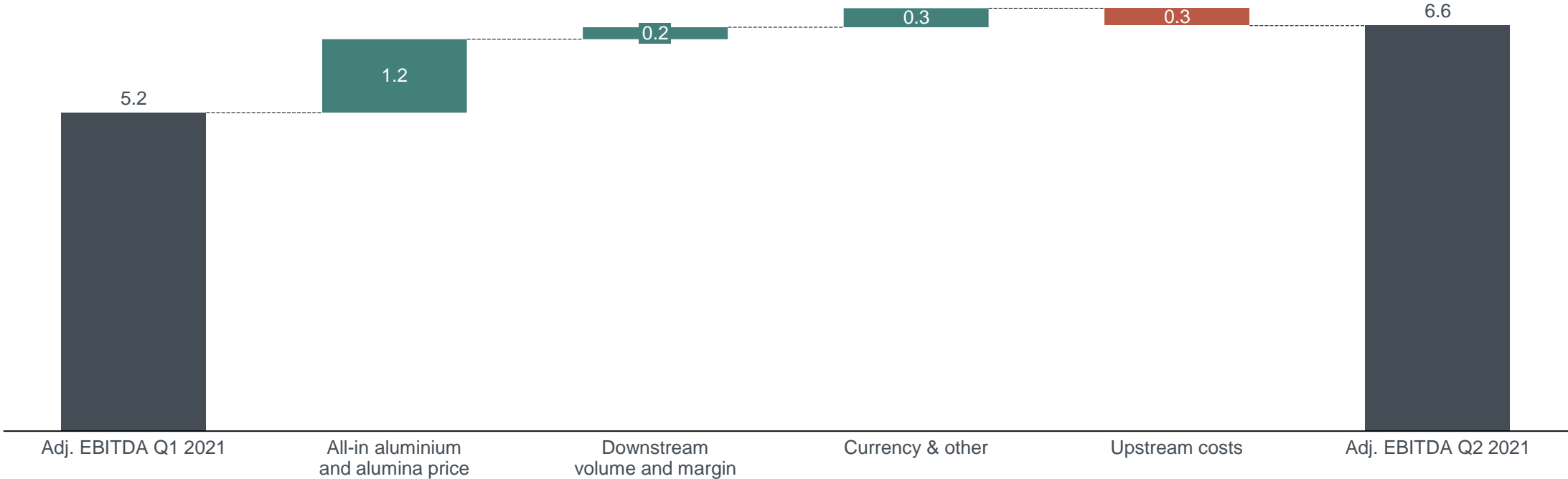
6) Improvement program target and progress excluding Hydro Rolling

# Result up on improved all-in price and downstream results



Partly offset by higher raw material and fixed cost upstream

Q2 2021 vs. Q1 2021  
NOK billion



# Key financials



NOK million	Q2 2021	Q2 2020	Q1 2021	Year 2020
Revenue	34 559	25 343	31 951	114,291
<b>Reported EBITDA</b>	<b>4 899</b>	<b>2 032</b>	<b>4 079</b>	<b>18 390</b>
Adjustment to EBITDA	1 698	762	1 103	(5 284)
<b>Adjusted EBITDA</b>	<b>6 598</b>	<b>2 794</b>	<b>5 182</b>	<b>13 106</b>
Reported EBIT	3 034	(1 588)	2 233	9 356
<b>Adjusted EBIT</b>	<b>4 891</b>	<b>1 000</b>	<b>3 559</b>	<b>6 040</b>
Financial income (expense)	355	388	424	(4 552)
<b>Reported Income (loss) before tax</b>	<b>3 389</b>	<b>(1 200)</b>	<b>2 657</b>	<b>4 804</b>
Income taxes	(992)	(287)	(776)	(918)
<b>Reported Net income (loss) from continuing operations</b>	<b>2 397</b>	<b>(1 487)</b>	<b>1 880</b>	<b>3 886</b>
Adjusted net income (loss) from continuing operations	3 150	318	2 448	2 848
Earnings per share from continuing operations	1.06	(0.62)	0.89	1.99
Adjusted earnings per share from continuing operations	1.45	0.17	1.15	1.32
Income (loss) from discontinued operations <sup>1)</sup>	407	16	(380)	(2 226)

1) 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

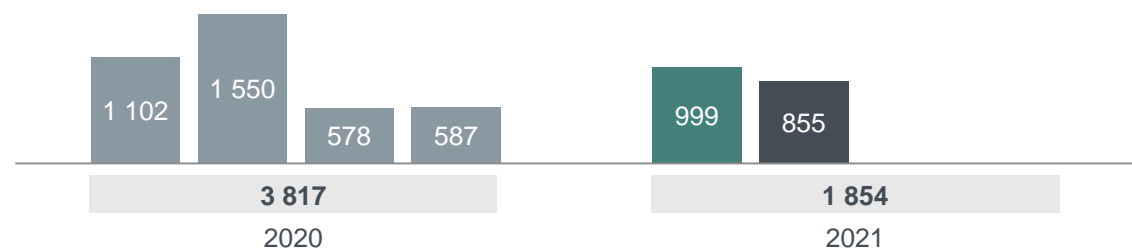
# Hydro Bauxite & Alumina

Result down due to increased costs, partly offset by higher prices

Key figures	Q2 2021	Q2 2020	Q1 2021
Alumina production, kmt	1 586	1 442	1 540
Total alumina sales, kmt	2 349	2 243	2 269
Realized alumina price, USD/mt	289	261	294
Implied alumina cost, USD/mt <sup>1)</sup>	246	192	243
Bauxite production, kmt	2 660	2 332	2 813
Adjusted EBITDA, NOK million	855	1 550	999
Adjusted EBIT, NOK million	383	1 047	556
Adjusted RoaCE, % LTM <sup>2)</sup>	4.2%	5.6%	6.5%

## Adjusted EBITDA

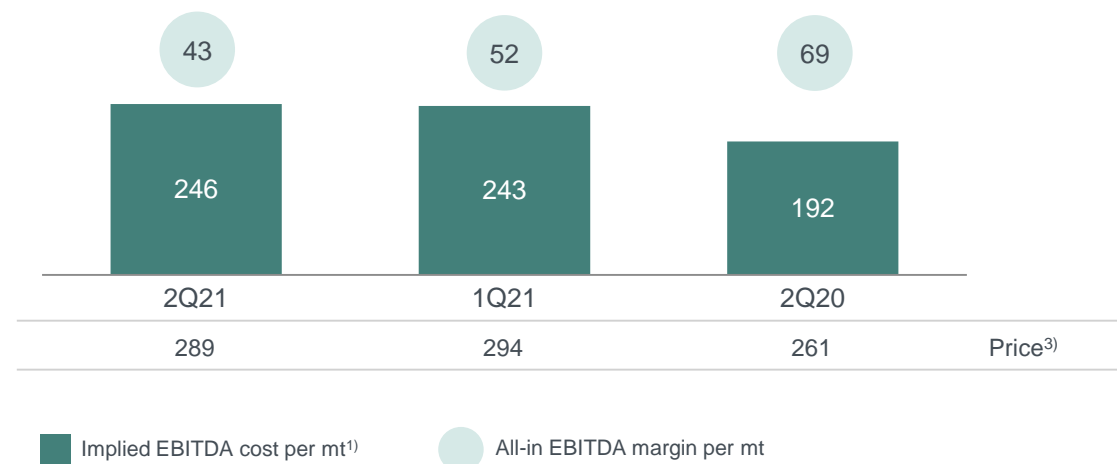
NOK million



- 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 Q2 21 vs Q2 20

- Higher realized alumina price
- Higher alumina production, above nameplate capacity
- Higher raw material costs, mainly fuel oil and coal
- Operational costs from decommissioned crane (NOK ~200 million)

## Outlook Q3 21

- Alunorte expected to produce around nameplate capacity
- Lower operational costs from decommissioned crane (NOK ~100 million)
- Higher raw material prices
- Annual maintenance of coal boilers

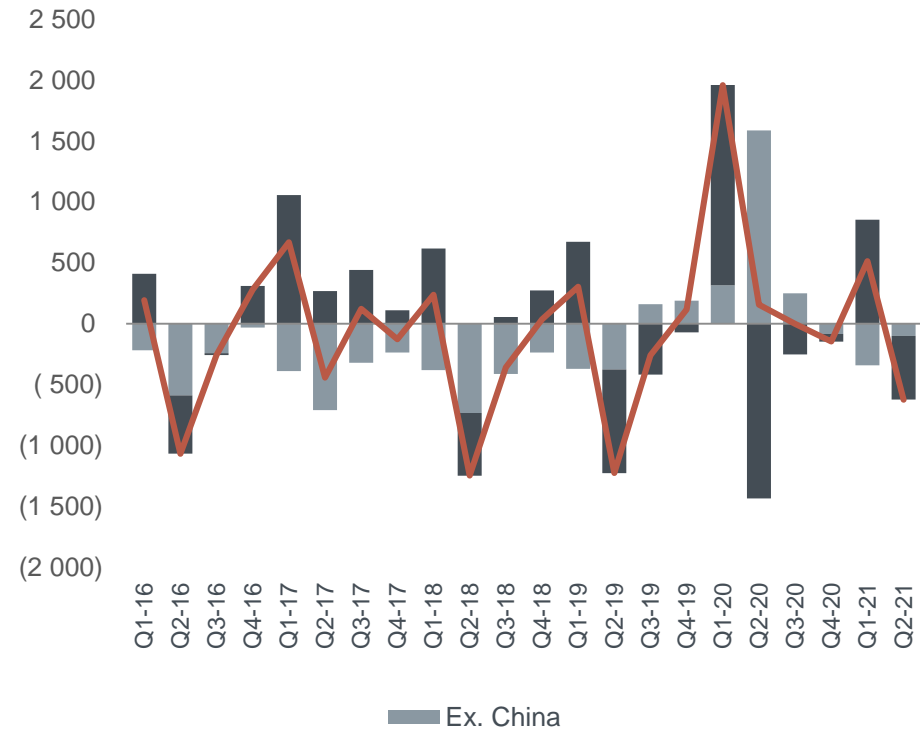
# Strong aluminium demand continuing in Q2



Record high billet premiums from very tight markets

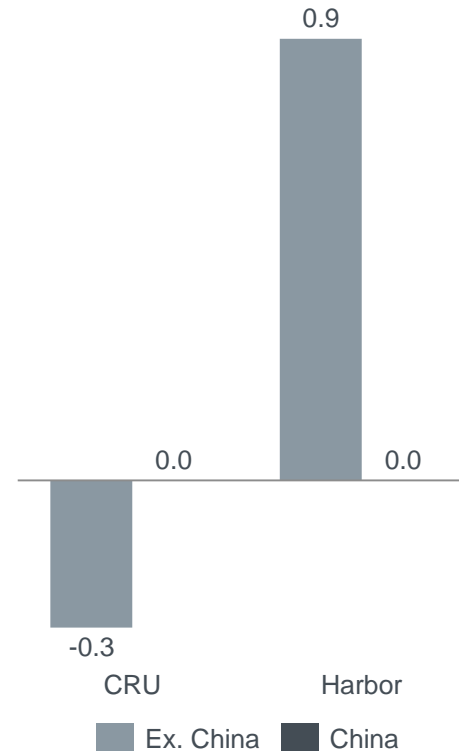
Quarterly market balances, world ex. China and China

Thousand tonnes, primary aluminium



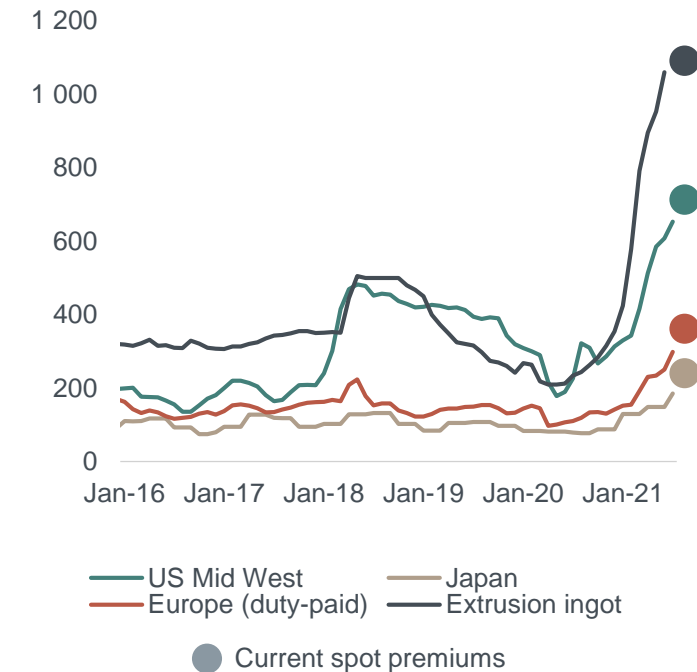
Estimates global balance 2021

Million tonnes, primary aluminium



Regional standard ingot premiums

USD/mt





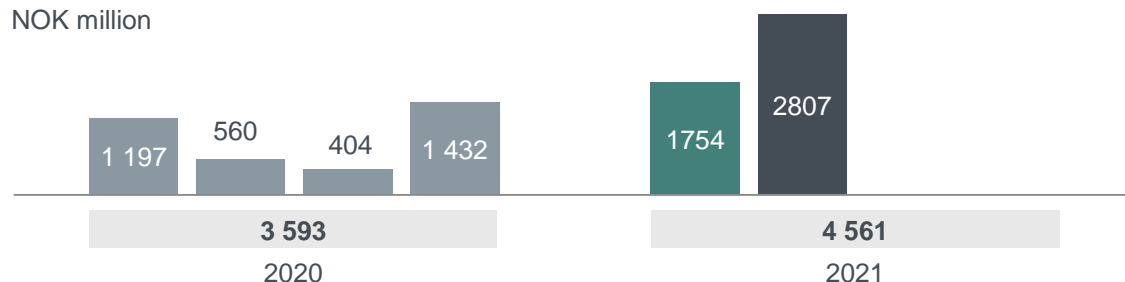
# Hydro Aluminium Metal

Record result on higher all-in metal prices and volumes, partly offset by higher costs and currency

Key figures	Q2 2021	Q2 2020	Q1 2021
Primary aluminium production, kmt	561	509	539
Total sales, kmt	594	510	599
Realized LME price, USD/mt	2 236	1 579	1 993
Realized LME price, NOK/mt	18 746	15 689	16 999
Realized premium, USD/mt	332	212	264
Implied all-in primary cost, USD/mt <sup>1)</sup>	1 925	1 600	1 825
Adjusted EBITDA, NOK million	2 807	560	1 754
Adjusted EBITDA including Qatalum 50% pro rata (NOK million)	3 229	944	2 218
Adjusted EBIT, NOK million	2 246	(37)	1 185
Adjusted RoaCE, % LTM <sup>2)</sup>	10.3%	1.6%	4.5%

## Adjusted EBITDA

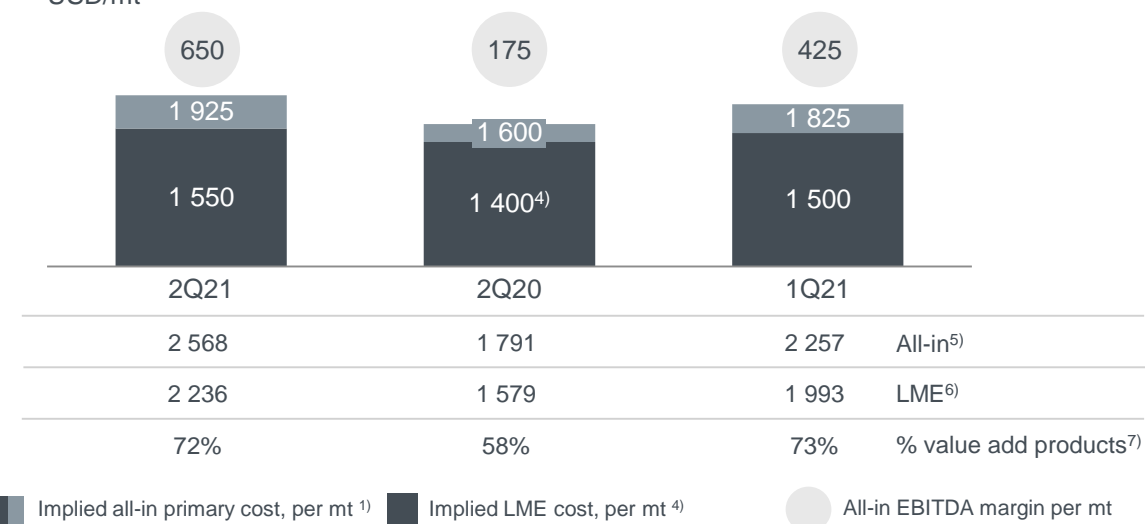
NOK million



- 1) Realized all-in aluminium price minus Adjusted EBITDA margin, including Qatalum, per mt aluminium sold
- 2) Adjusted RoaCE calculated as Adjusted EBIT last 4 quarters less 25% tax / Average capital employed last 4 quarters
- 3) Implied primary costs 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>



## Results Q2 21 vs Q2 20

- Higher all-in metal prices
- Higher volumes including Husnes ramped up to full production
- Higher raw material and fixed costs
- Negative currency effects
- CO2 compensation of NOK 180 million

## Outlook Q3 21

- ~67% of primary production for Q3 priced at USD 2 362 per mt<sup>8)</sup>
- ~62% of premiums affecting Q3 booked at USD ~481 per mt<sup>8)</sup>
  - Q3 realized premium expected in the range of USD 400-450 per ton
- Increasing raw material costs, mainly carbon and energy

- 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 30.06.2021

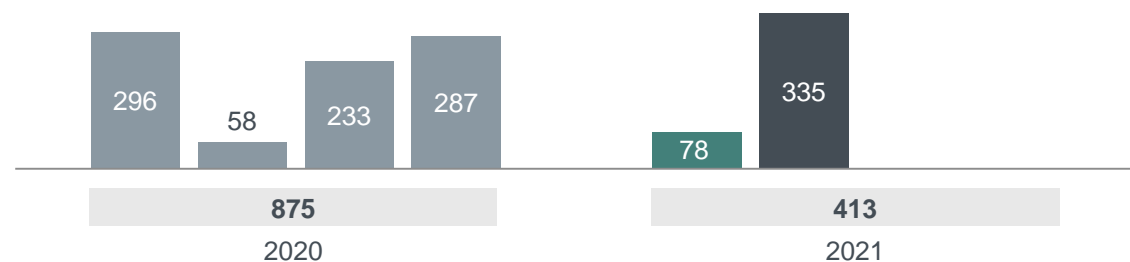
# Metal Markets

Result up on improved recycler result and trading and sourcing activities

Key figures	Q2 2021	Q2 2020	Q1 2021
Remelt production, kmt	154	88	143
Metal products sales, kmt <sup>1)</sup>	735	606	742
Adjusted EBITDA Recycling (NOK million)	131	41	89
Adjusted EBITDA Commercial (NOK million)	204	17	(11)
Adjusted EBITDA Metal Markets (NOK million)	335	58	78
Adjusted EBITDA excl. currency and inventory valuation effects	326	172	161
Adjusted EBIT (NOK million)	301	21	43
Adjusted RoaCE, % LTM <sup>2)</sup>	23.3%	20.2%	15.8%

## 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 Q2 21 vs Q2 20

- Higher recycling volumes and margins
- Stronger commercial result
- Positive currency effects

## Outlook Q3 21

- Volatile trading and currency effects
- Summer maintenance at recyclers

# Record EBITDA in Extrusions with growth across all segments year over year

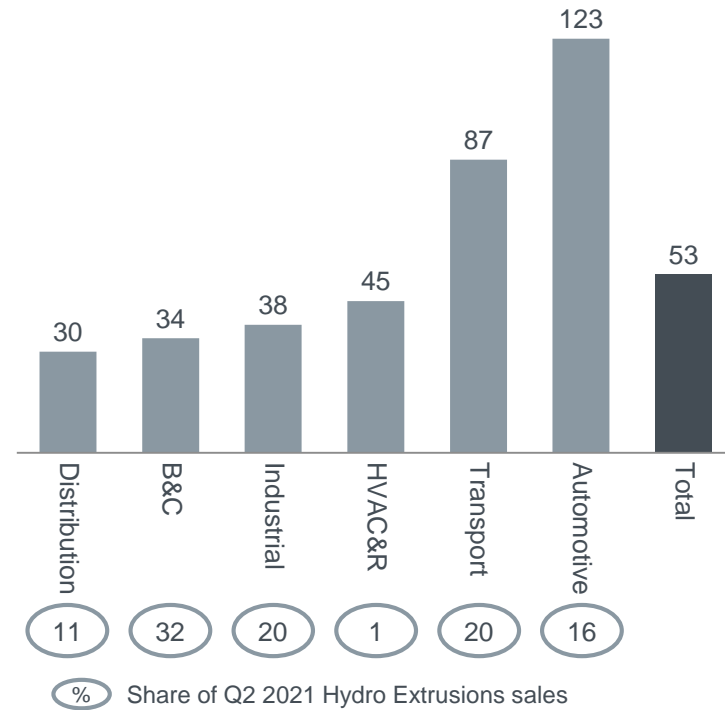


Continued good market growth expected in Q3, but at lower levels compared to Q2

## Extrusions sales volumes

Q2 2021 vs Q2 2020

Hydro Extrusions segment sales volume  
Growth in %

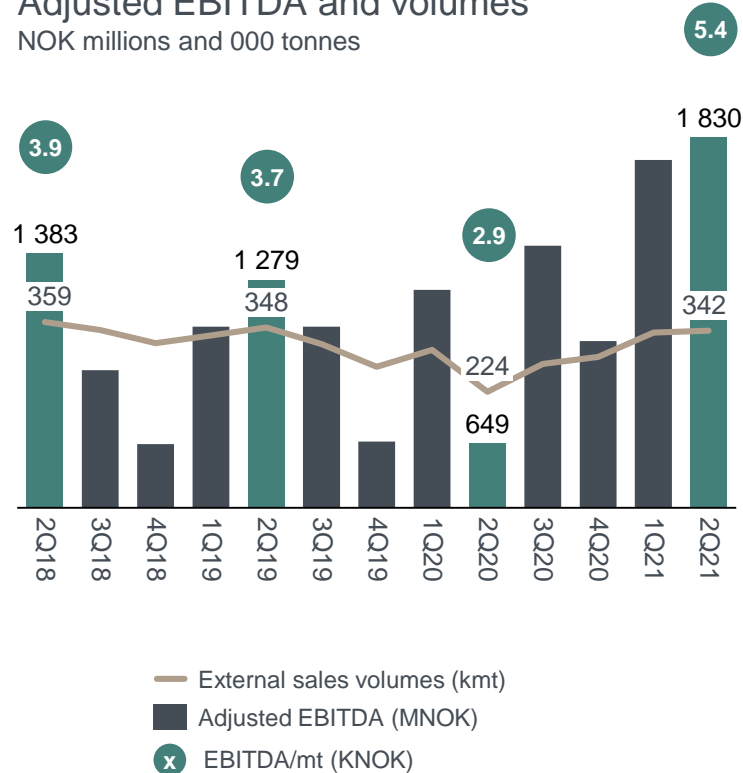


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## Extrusions results

3 year historic

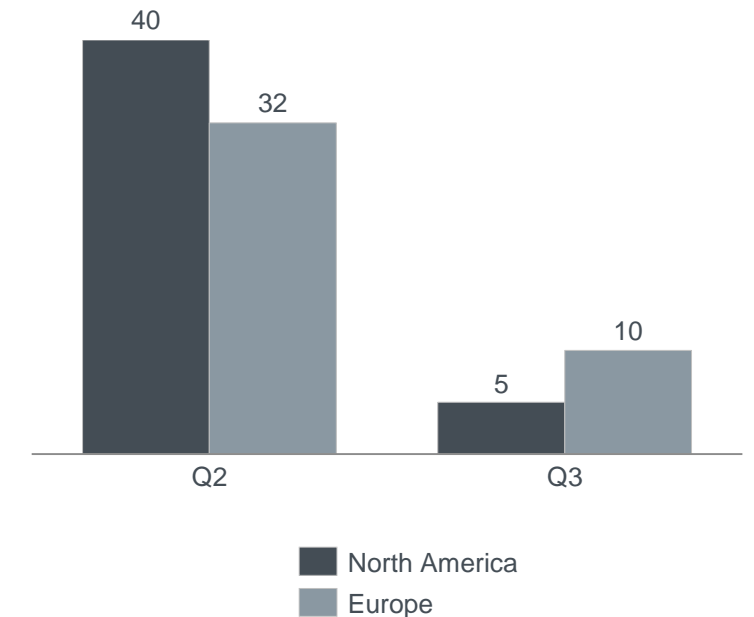
Adjusted EBITDA and volumes  
NOK millions and 000 tonnes



## External market forecasts

2021 vs 2020

Extrusion market growth per quarter  
Growth in %



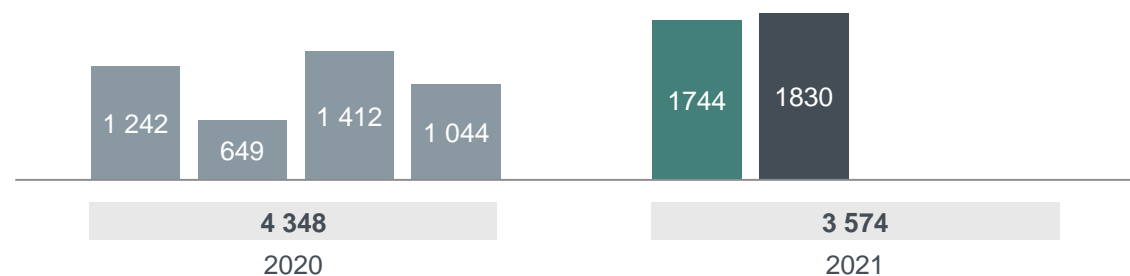
# Hydro Extrusions

Record results due to higher sales volumes and margins

Key figures	Q2 2021	Q2 2020	Q1 2021
External sales volumes, kmt	342	224	338
Adjusted EBITDA, NOK million	1 830	649	1 744
Adjusted EBIT, NOK million	1 266	89	1 244
Adjusted RoaCE, % LTM <sup>1)</sup>	12.3%	3.9%	8.4%

## Adjusted EBITDA

NOK million



## Results Q2 21 vs Q2 20

- Higher volumes on market recovery
- Increased margins, supported by improvement efforts
- Lower variable costs
- ~NOK 450 million in negative one-offs between quarters

## Outlook Q3 21

- Seasonally lower sales
- Positive demand outlook compared to market
- Higher costs and lower margins YoY
- Investments in Cressona, US and Nenzing, Austria

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

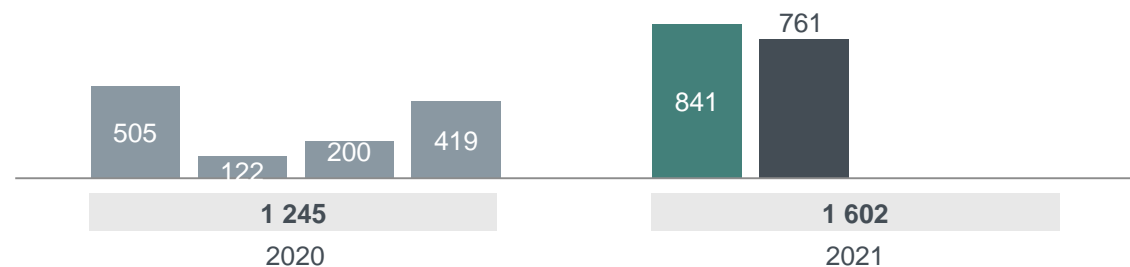
# Hydro Energy

Results up due to higher prices and positive effects from changes in the power contract portfolio

Key figures	Q2 2021	Q2 2020	Q1 2021
Power production, GWh	2 374	2 097	2 857
Net spot sales, GWh	334	444	1 126
Southwest Norway spot price (NO2), NOK/MWh	493	50	469
Adjusted EBITDA, NOK million	761	122	841
Adjusted EBIT, NOK million	713	53	792
Adjusted RoaCE, % LTM <sup>1),2)</sup>	12.4%	24.4%	10.8%

## 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 2019 and 2020, 55% tax rate applied in 2021  
 3) 01.07.2021-20.07.2021



## Results Q2 21 vs Q2 20

- Higher power prices
- Gain from area price differences
- Contract portfolio changes

## Outlook Q3 21

- Volume and price uncertainty, low reservoir levels
- Average NO2 spot price ~599 NOK/Mwh in July<sup>3)</sup>

# Progress on Hydro 2025 strategy continuing in Q2



Key investments made in recycling

## 1 Strengthen position in low-carbon aluminium

 Hydro <b>CIRCAL®</b> Recycled Aluminium	 Hydro <b>REDUXA®</b> Low-Carbon Aluminium	
122 kts green aluminium sold 1H 21 • >200% up from 1H 20		New projects underway with recycling uplift of 185kts

## 2 Diversify and grow in new energy

Wind farm Stor-Skälsjön (260Mw) acquired with Eolus	Hydrovolt on track to begin battery recycling by year end	Everfuel MoU: collaboration to supply hydrogen to industry and land-based transport



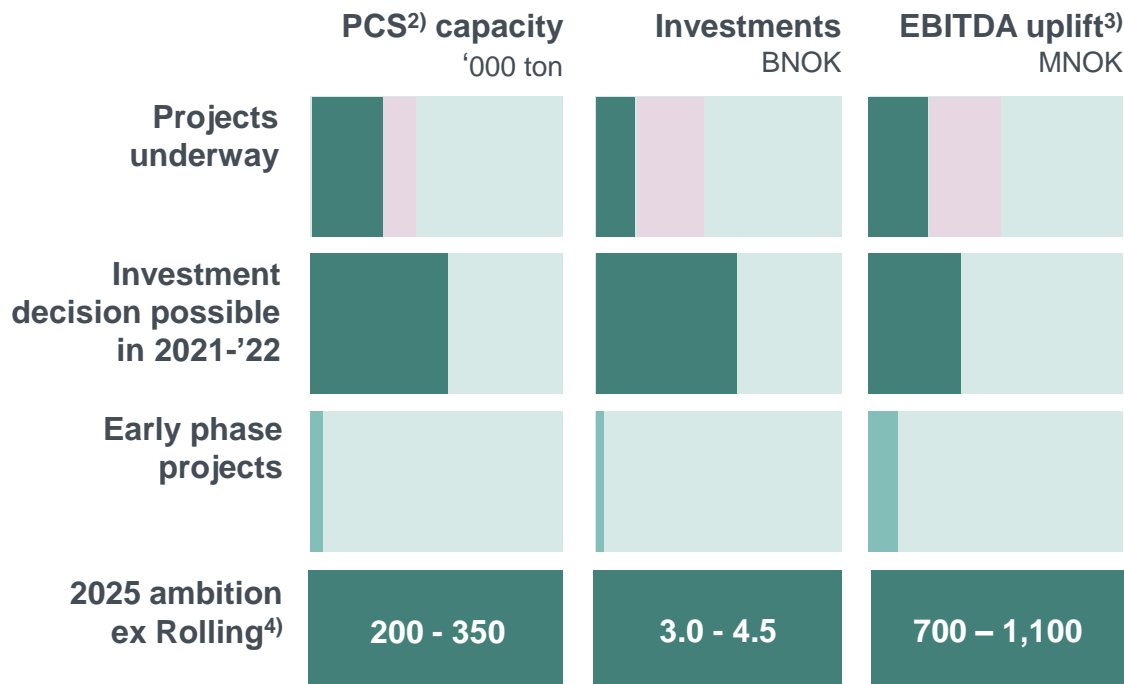
**‘Fit for 55’: delivering the EU’s 2030 Climate Target on the way to climate neutrality**



Profitability & Sustainability

# New projects underway adding ~185 kt of recycling capacity<sup>1)</sup>

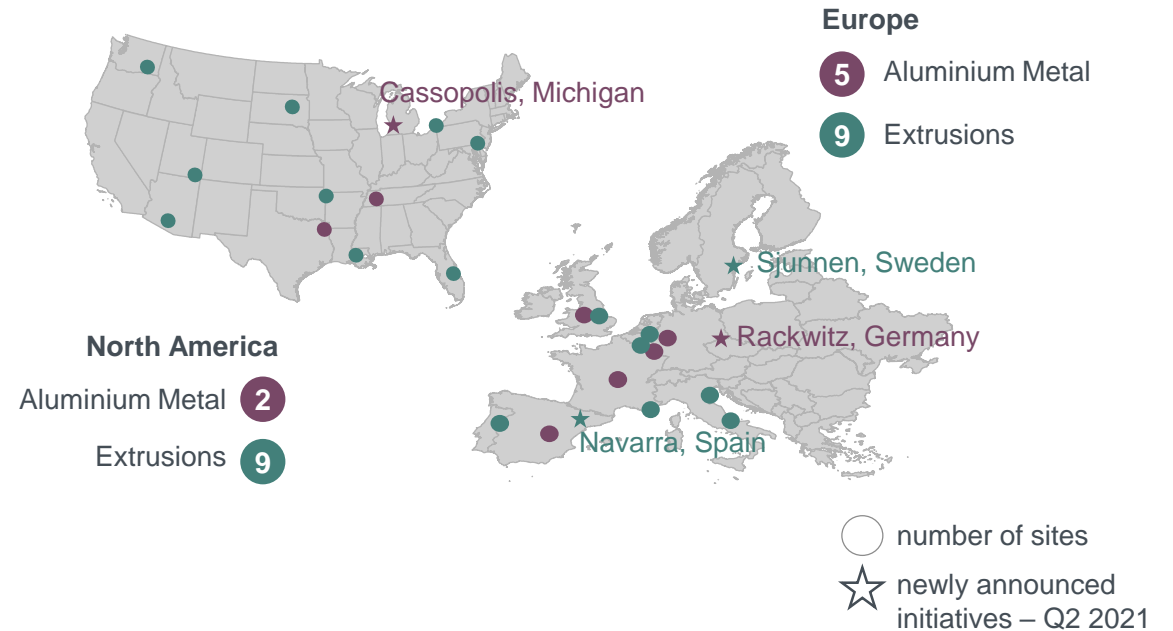
Potentially providing ~65 kt additional (PCS) capacity and ~450 MNOK EBITDA uplift



Estimated uplift from Cassopolis, MI – Letter of Intent

## ~2 Mt recycling capacity currently in operation

25 recyclers and 1 sorting plant

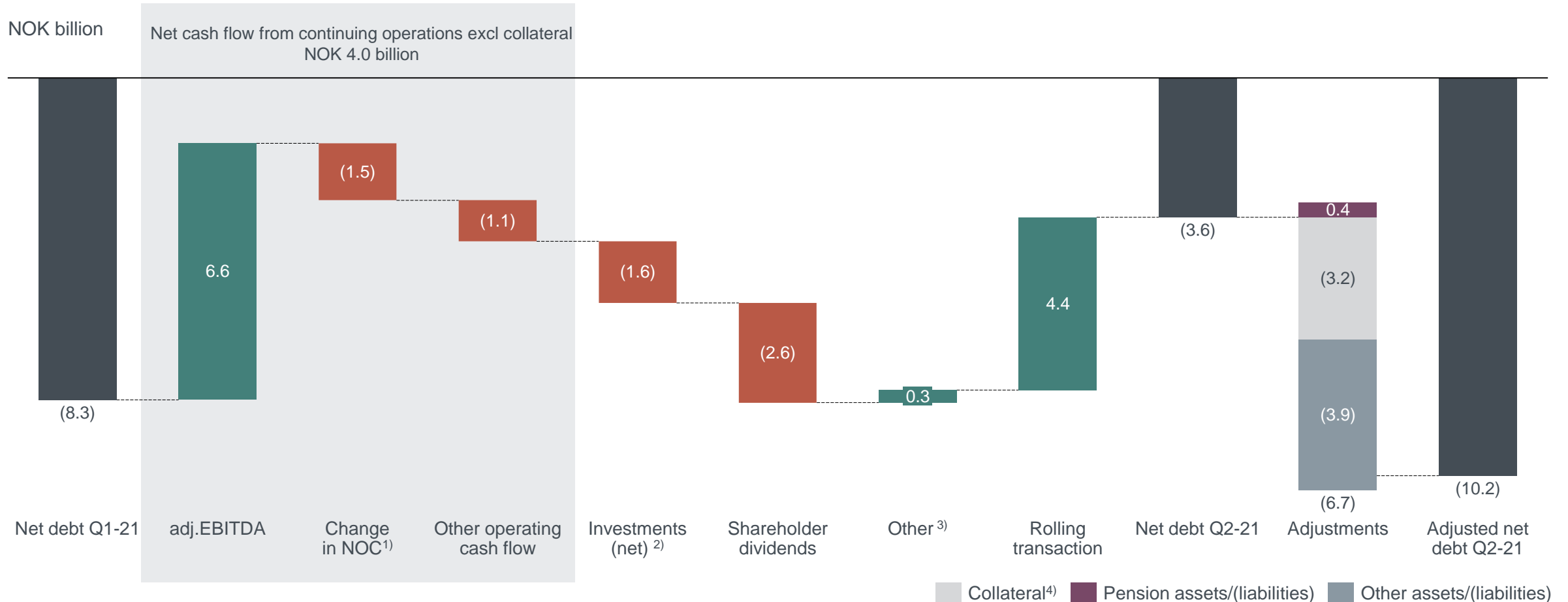


- 1) Remelt and recycling capacity of which parts of the input is post-consumer scrap (PCS). PCS, pre-consumer scrap, internal process scrap, alloys and ingots makes up the total. Part of the PCS is targeted to come from increased used in existing casthouses at our primary smelters without adding additional R&R capacity.
- 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.
- 4) Ambition across Hydro Extrusion and Aluminium Metal. Rolling excluded in all numbers.

# Net debt improved in Q2 on back of Rolling proceeds



Strong EBITDA in Aluminium Metal and Extrusions, proceeds from Rolling sale, negative cash effect from build in NOC and dividend payment

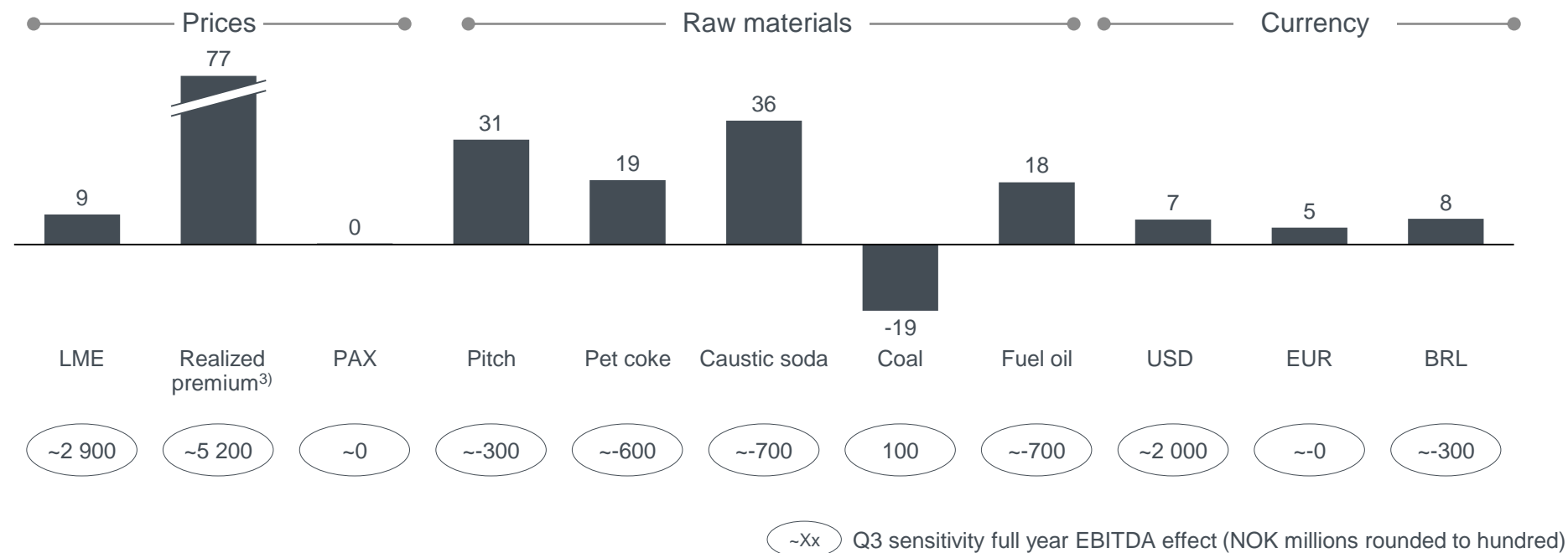


1) NOC: BAs: Change in book value excl currency translation. "Other": Account differences (e.g., ST income tax receivables, long-term VAT accounts), agio & portfolio effects  
 2) Investments: BAs: Investments adjusted for lease and ARO. "Other": Changes in prepayments/payables, reversal of capitalized interest, divestments  
 3) Other: "Other": Unrealized gains (losses) on STI, reversal of change in ST restricted cash, reversal of net sales (purchases) of trading securities, lease additions  
 4) Collateral: Includes collateral for short-term and long-term liabilities, mainly related to strategic hedges and the operational hedging activity



# Current market conditions support significant reduction in net debt by year end

Current market rates vs. Q2 realized (%)<sup>1),2)</sup>



## Additional factors

- Working capital increasing on higher prices and premiums<sup>4)</sup>
- Seasonality in downstream business
- Other elements include, e.g., tax payments, settlement of provisions / restructuring, capex
- Additional strategic hedges place in Q2:
  - Integrated LME:
    - 2022: 240kt
    - 2023: 210 kt
  - BRL/USD:
    - 2021: 75MUSD
    - 2022: 150 MUSD
    - 2023: 150 MUSD

1) Sensitivities taken on July 21 market prices and fx, raw material market price outlook for Q3

2) Sensitivities include 2021 hedges

3) Sensitivity for realized premium compares Q2 realized premium versus spot premium given product mix \* full year production volumes; Hydro standard ingot sensitivity not used

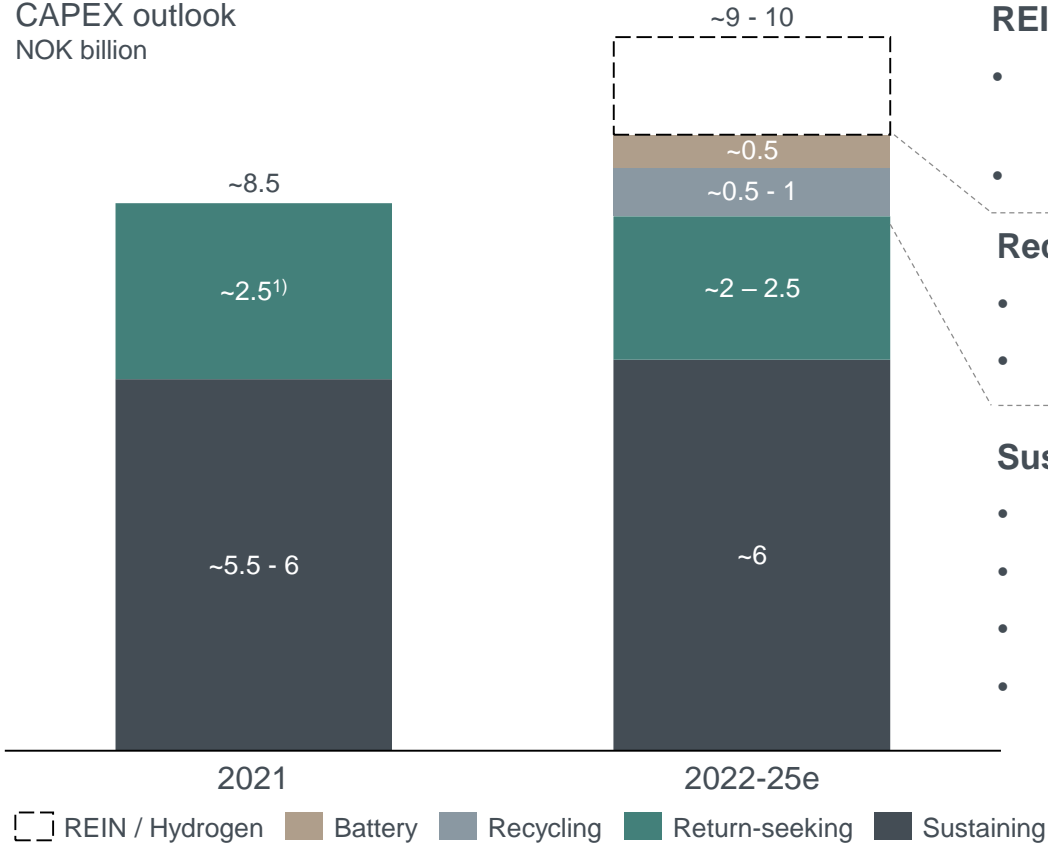
4) Approximate price/FX impact can be estimated as change in realized LME + realized premium in NOK/t, multiplied by 0.6 million tons of inventory equivalent. Normal seasonality of order NOK 1.5 billion increase in Q1 / decrease in Q4

# Expected 2021 CAPEX of NOK 8.5 billion



Medium term average guidance, including growth areas, of NOK 9 to 10 billion

CAPEX outlook  
NOK billion



### REIN & Hydrogen

- Limited Hydro cash spend; investments based on external equity injection in respective companies
- Debt financing using special purpose vehicles (SPVs)

### Recycling & Batteries

- Growth initiatives fully funded by Hydro
- Investment appetite guided by return requirements, cash generation, credit rating

### Sustaining & Return seeking

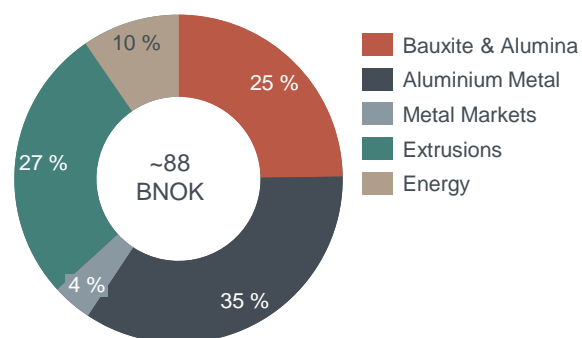
- Sustaining investments in existing Hydro asset portfolio
- Investment needs covered from operating cash flow
- Investment evaluated by return requirements, cash generation, credit rating
- Includes growth initiatives in the improvement program and commercial ambitions for Extrusions and Aluminium Metal

1) Includes limited growth CAPEX for Recycling

# Capital return dashboard Q2 2021

Figures post Hydro Rolling divestment

Capital employed<sup>1)</sup>



Capital returns  
adj. RoaCE

9.0%<sup>2)</sup>

10% target over the cycle

Balance sheet  
adj. ND/EBITDA

1.0<sup>3)</sup>

adj. ND/EBITDA < 2x  
target over the cycle

Free cash flow  
YTD 2021

2.1 BNOK<sup>4)</sup>

Improvement program

Ahead of 5.1 BNOK  
2021 target

2021 target 5.1 BNOK  
2025 target 7.4 BNOK

Net operating capital

3.8 BNOK cash build  
YTD 2021

Continuous working capital  
optimization

Capex

2.7 BNOK spent  
YTD 2021

2021 guidance of ~8.5 BNOK

Shareholder payout

2020 Dividend  
NOK 1.25 share<sup>5)</sup>

50% payout ratio over the cycle  
1.25 NOK/share dividend floor

- 1) Graph excludes (2.0) BNOK in capital employed in Other & Eliminations
- 2) URoaCE calculated as adjusted EBIT last 4 quarters less underlying tax expense adjusted for 30% tax on financial items / average capital employed last 4 quarters. Figures for 2020 as reported, capital employed Q1 2021 excluding assets held for sale and liabilities in disposal groups.
- 3) Average adjusted net debt last 4 quarters / total adjusted EBITDA last 4 quarters. Figures for 2020 as reported , Q1 2021 assets held for sale and liabilities in disposal groups.
- 4) Free cash flow – operating cash flow excl. collateral less investing cash flow excl. sales/purchases of short-term investments
- 5) Paid in May

# 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

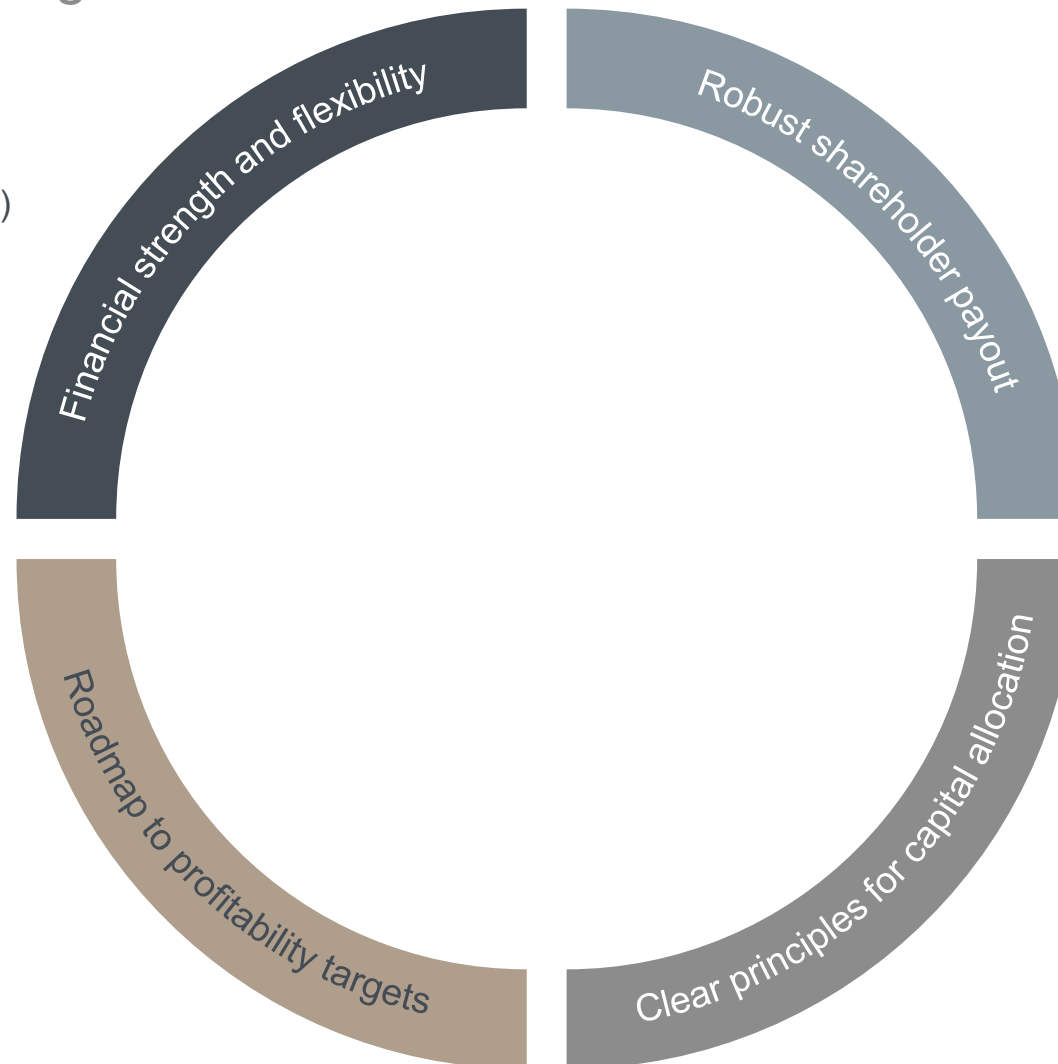
## Financial ambitions and targets

### 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 / adj. EBITDA < 2x over the cycle <sup>1)</sup>
- Strong liquidity

### Roadmap to profitability targets

- Adj. RoaCE > 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

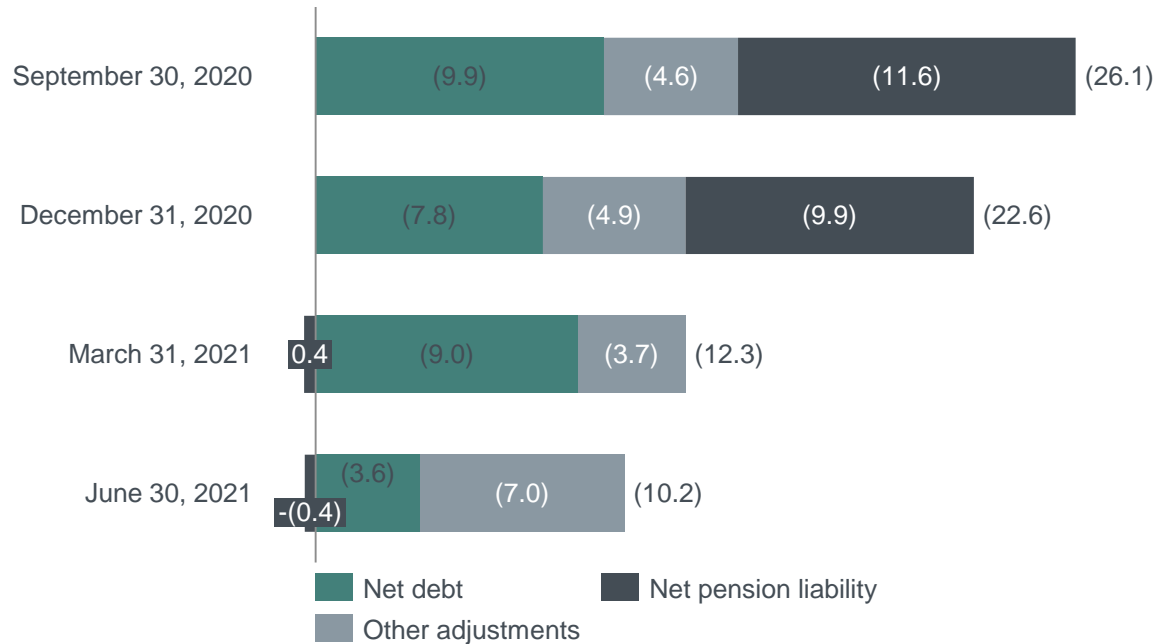


- Hedging strategy
  - Fluctuating with the market: primarily exposed to LME and USD
  - Volatility mitigated by strong balance sheet
  - Strengthening relative position to ensure competitiveness
- Diversified business
  - Upstream cyclicalities balanced with more stable earnings downstream
  - Exposed 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

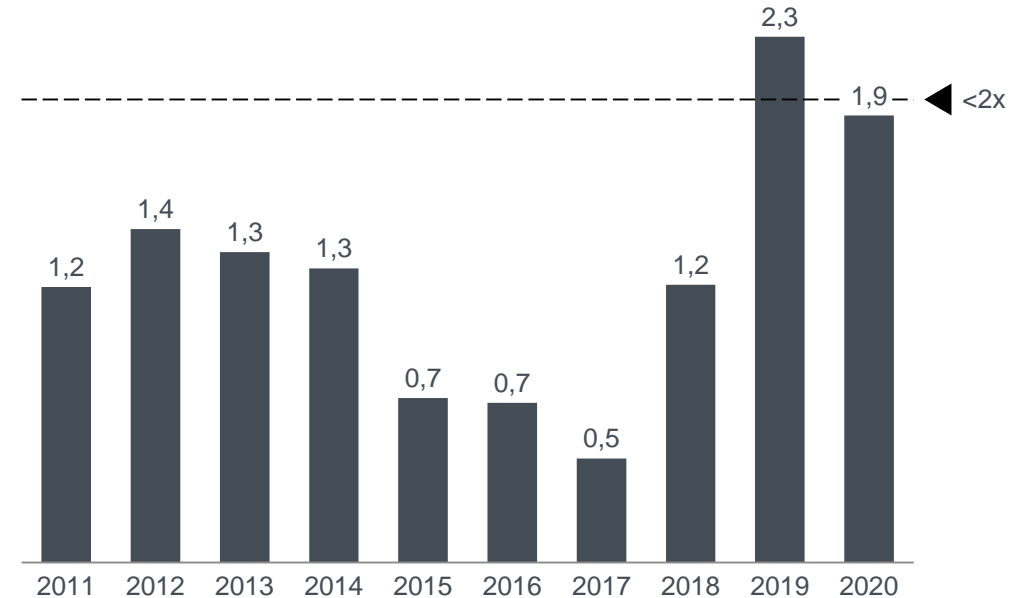


# Maintaining a solid balance sheet and investment-grade credit rating

Adjusted net debt  
BNOK



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



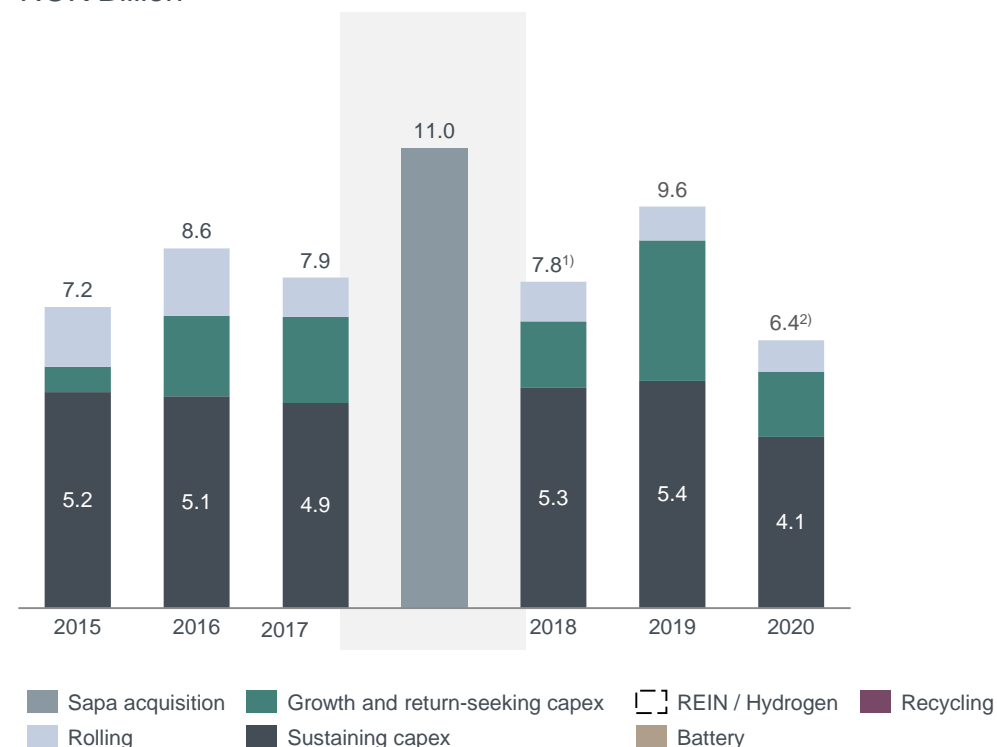
1) Based on four quarter average adjusted net debt. 2011-2013: Based on Adjusted net debt at year-end

# Capex guidance excluding Rolling of ~8.5 billion in 2021

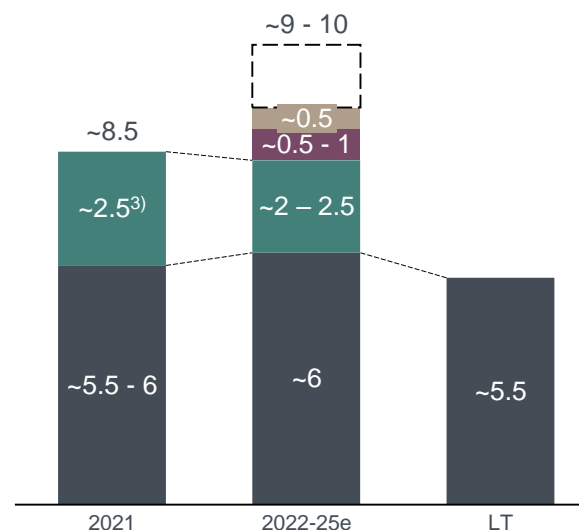


Expectation of NOK ~9-10 billion from 2022 to 2025

Historical capex  
NOK Billion



Guidance capex LT  
NOK Billion



## REIN & Hydrogen

- Limited Hydro cash spend; investments based on external equity injection in respective companies
- Debt financing using special purpose vehicles (SPVs)

## Recycling & Batteries

- Growth initiatives fully funded by Hydro
- Investment appetite guided by return requirements, cash generation, credit rating

## Sustaining & Return seeking

- Sustaining investments in existing Hydro asset portfolio
- Investment needs covered from operating cash flow
- Investment evaluated by return requirements, cash generation, credit rating
- Includes growth initiatives in the improvement program and commercial ambitions for Extrusions and Aluminium Metal

Capex including Extrusions

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

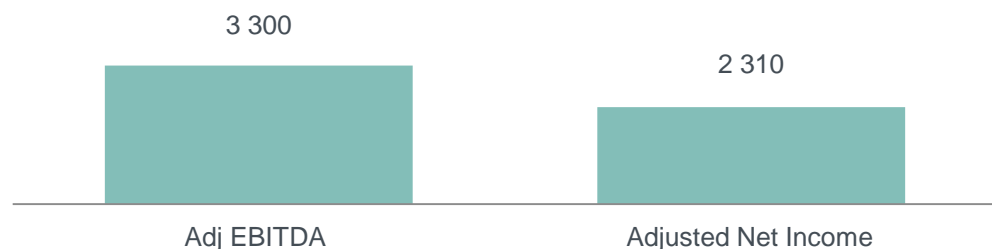
2) Excluding NOK (0.1) billion from, e.g., changes in prepayments/payables for capex. Cash effective capex based on the cash flow statement amounts to NOK 6.5 billion (adjusted for changes in short-term investments)

3) Includes limited growth CAPEX for Recycling

# Significant exposure to commodity and currency fluctuations

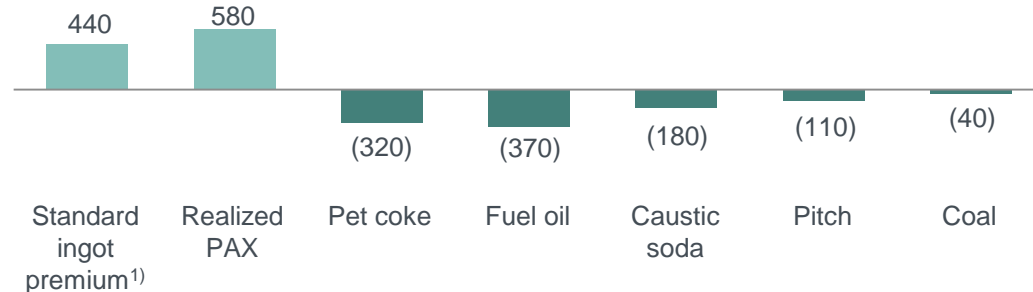
## Aluminium price sensitivity +10%

NOK million



## Other commodity prices, sensitivity +10%

NOK million



## Currency sensitivities +10%

Sustainable effect:

NOK million	USD	BRL	EUR
Adj. EBITDA	2 770	(450)	(-20)

One-off reevaluation effect:

Financial items	(540)	620	(4 380)
-----------------	-------	-----	---------

- Annual adjusted sensitivities based on normal annual business volumes, excluding Hydro Rolling. LME USD 2240 per mt, standard ingot premium 240 USD/mt, PAX 280 USD/mt, fuel oil USD 685 per mt, petroleum coke USD 430 per mt, pitch 625 EUR/t, caustic soda USD 375 per mt, coal USD 80 per mt, USD/NOK 8.38, BRL/NOK 1.59, EUR/NOK 10.09
- 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

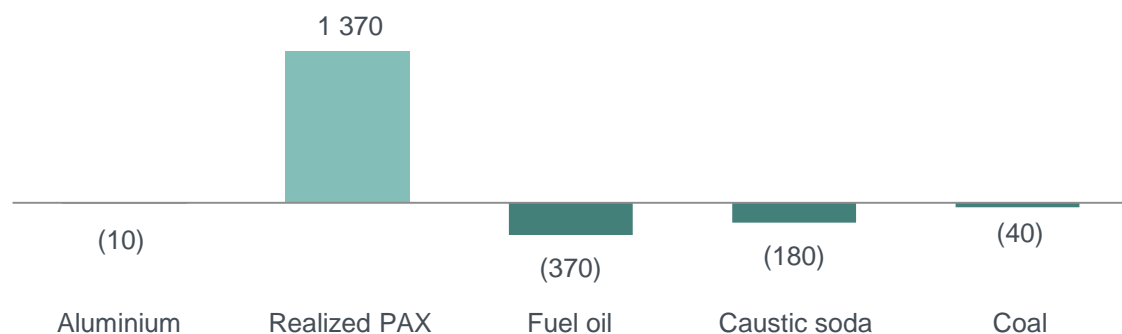
1) Europe duty paid

# Bauxite & Alumina sensitivities



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

NOK million



## Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBITDA	600	(220)	-

## 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

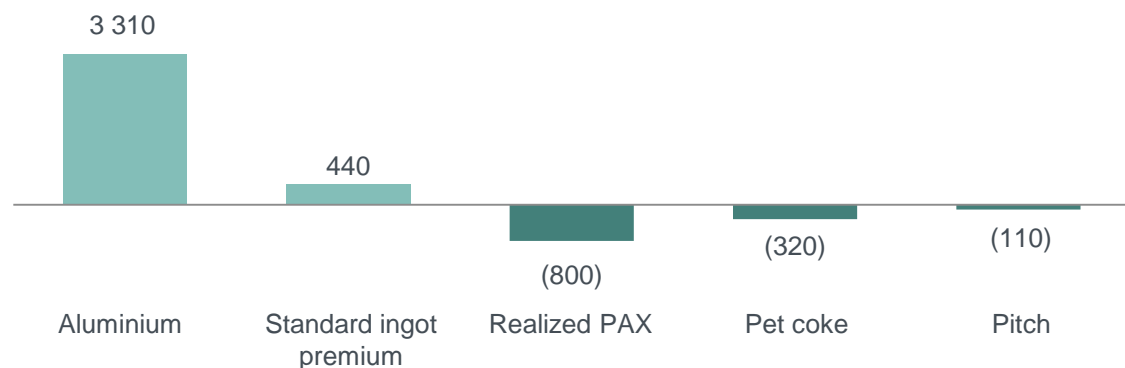
Annual adjusted sensitivities based on normal annual business volumes, excluding Hydro Rolling. LME USD 2240 per mt, standard ingot premium 240 USD/mt, PAX 280 USD/mt, fuel oil USD 685 per mt, petroleum coke USD 430 per mt, pitch 625 EUR/t, caustic soda USD 375 per mt, coal USD 80 per mt, USD/NOK 8.38, BRL/NOK 1.59, EUR/NOK 10.09  
BRL sensitivity calculated on a long-term basis with fuel oil assumed in USD. In the short-term, fuel oil is BRL-denominated. 2020 Platts alumina index (PAX) exposure used

# Alumimum Metal sensitivities



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

NOK million



## Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBITDA	2 040	(230)	(530)

## 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	Q2 2021	Year 2020
Alunorte Agreements – provision	Hydro Bauxite & Alumina	129	-	-	-	-	-	129
Unrealized derivative effects on raw material contracts	Hydro Bauxite & Alumina	-	-	-	5	(27)	(84)	5
<b>Total impact</b>	<b>Hydro Bauxite &amp; Alumina</b>	<b>129</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>(27)</b>	<b>(84)</b>	<b>134</b>
Unrealized derivative effects on LME related contracts	Hydro Aluminium Metal	(64)	200	(198)	(99)	1 256	1 740	(160)
Unrealized effects on power contracts	Hydro Aluminium Metal	(147)	48	165	153	34	104	218
Significant rationalization charges and closure costs	Hydro Aluminium Metal	-	-	-	-	-	184	-
Net foreign exchange (gain)/loss	Hydro Aluminium Metal	-	-	-	-	(35)	(26)	-
Other effects	Hydro Aluminium Metal	-	(12)	(30)	(90)	-	(232)	(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>1 770</b>	<b>(74)</b>
Unrealized derivative effects on LME related contracts	Hydro Metal Markets	(224)	340	(187)	32	24	1	(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>1</b>	<b>(38)</b>
Unrealized derivative effects on LME related contracts	Hydro Extrusions	114	13	(201)	(57)	(98)	(106)	(129)
Significant rationalization charges and closure costs	Hydro Extrusions	4	134	(20)	70	-	95	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>(10)</b>	<b>123</b>
Unrealized derivative effects on power contracts	Hydro Energy	(17)	33	14	(5)	(19)	(9)	25
(Gains) / losses on divestments	Hydro Energy	-	-	-	(5 308)	(45)	-	(5 308)
Net foreign exchange (gain)/loss	Hydro Energy	-	-	-	-	4	6	-
<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>(3)</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	10	(8)
(Gains) / losses on divestments	Other and eliminations	-	-	(65)	3	-	-	(62)
Net foreign exchange (gain)/loss	Other and eliminations	-	-	-	-	9	16	-
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>25</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>1 698</b>	<b>(5 284)</b>
Impairment charges	Hydro Aluminium Metal	-	504	-	-	-	-	504
Impairment charges	Hydro Extrusions	12	1 483	77	52	122	7	1 625
Impairment charges	Other and eliminations	-	(161)	-	-	-	-	(161)
Depreciation	Hydro Aluminium Metal	-	-	-	-	101	151	-
<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>1 857</b>	<b>(3 316)</b>
Net foreign exchange (gain)/loss	Hydro	4 184	(563)	1 528	(1 349)	(653)	(550)	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>1 307</b>	<b>355</b>
Calculated income tax effect	Hydro	(1 322)	(221)	(336)	486	(106)	(555)	(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>752</b>	<b>(1 038)</b>

# Operating segment information



## Adjusted EBIT

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Year 2020
Hydro Bauxite & Alumina	535	1 047	108	116	556	383	1 806
Hydro Aluminium Metal	573	(37)	(156)	844	1 185	2 246	1 225
Hydro Metal Markets	261	21	198	248	43	301	728
Hydro Extrusions	702	89	894	511	1 244	1 266	2 196
Hydro Energy	437	53	132	352	792	713	974
Other and Eliminations	(565)	(173)	242	(393)	(261)	(17)	(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>4 891</b>	<b>6 040</b>

## Adjusted EBITDA

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Year 2020
Hydro Bauxite & Alumina	1 102	1 550	578	587	999	855	3 817
Hydro Aluminium Metal	1 197	560	404	1 432	1 754	2 807	3 593
Hydro Metal Markets	296	58	233	287	78	335	875
Hydro Extrusions	1 242	649	1 412	1 044	1 744	1 830	4 348
Hydro Energy	505	122	200	419	841	761	1 245
Other and Eliminations	(532)	(144)	272	(366)	(234)	10	(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>6 598</b>	<b>13 106</b>

# Operating segment information



## EBIT

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Year 2020
Hydro Bauxite & Alumina	406	1 047	108	111	583	467	1 672
Hydro Aluminium Metal	784	(777)	(93)	880	(171)	325	794
Hydro Metal Markets	485	(319)	385	216	19	299	766
Hydro Extrusions	628	(1 548)	1 038	331	1 220	1 269	449
Hydro Energy	454	20	118	5 665	851	716	6 258
Other and Eliminations	(530)	(11)	337	(379)	(271)	(43)	(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>3 034</b>	<b>9 356</b>

## EBITDA

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Year 2020
Hydro Bauxite & Alumina	973	1 550	578	582	1 026	940	3 683
Hydro Aluminium Metal	1 408	324	467	1 468	500	1 037	3 667
Hydro Metal Markets	521	(282)	420	254	55	333	913
Hydro Extrusions	1 181	496	1 633	915	1 842	1 840	4 225
Hydro Energy	523	88	186	5 732	900	764	6 529
Other and Eliminations	(497)	(144)	367	(351)	(244)	(15)	(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>4 899</b>	<b>18 390</b>



# Operating segment information



## Total revenue

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Year 2020
Hydro Bauxite & Alumina	6 029	6 173	5 334	5 503	6 026	5 976	23 039
Hydro Aluminium Metal	9 753	7 720	8 228	8 702	8 953	9 467	34 404
Hydro Metal Markets	12 912	10 485	11 290	12 178	13 624	15 275	46 865
Hydro Extrusions	15 140	11 593	13 372	14 390	16 334	17 470	54 496
Hydro Energy	2 115	1 423	1 539	1 890	2 343	2 213	6 967
Other and Eliminations	(14 340)	(12 051)	(12 247)	(12 842)	(15 327)	(15 843)	(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>34 559</b>	<b>114 291</b>

## External revenue

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Year 2020
Hydro Bauxite & Alumina	3 249	3 792	3 167	3 173	3 546	3 538	13 381
Hydro Aluminium Metal	1 968	1 393	1 632	2 046	762	621	7 039
Hydro Metal Markets	10 353	8 510	9 242	9 788	10 789	12 552	37 893
Hydro Extrusions	15 215	11 581	13 344	14 401	16 203	17 346	54 542
Hydro Energy	633	47	137	443	787	486	1 261
Other and Eliminations	191	20	(7)	(29)	(136)	16	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>34 559</b>	<b>114 291</b>

# Operating segment information



## Internal revenue

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Year 2020
Hydro Bauxite & Alumina	2 780	2 380	2 168	2 330	2 479	2 438	9 658
Hydro Aluminium Metal	7 785	6 328	6 596	6 656	8 191	8 846	27 365
Hydro Metal Markets	2 559	1 975	2 047	2 390	2 835	2 723	8 972
Hydro Extrusions	(76)	12	28	(11)	131	125	(47)
Hydro Energy	1 482	1 376	1 402	1 447	1 556	1 727	5 706
Other and Eliminations	(14 530)	(12 070)	(12 241)	(12 813)	(15 191)	(15 858)	(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	Q2 2021	Year 2020
Hydro Bauxite & Alumina	-	-	-	-	-	-	-
Hydro Aluminium Metal	40	26	6	185	147	513	256
Hydro Metal Markets	-	-	-	-	-	-	-
Hydro Extrusions	-	-	-	-	-	-	-
Hydro Energy	(12)	(5)	(16)	(6)	(23)	(32)	(39)
Other and Eliminations	(31)	28	34	(24)	1	(20)	7
<b>Total</b>	<b>(4)</b>	<b>48</b>	<b>24</b>	<b>155</b>	<b>125</b>	<b>462</b>	<b>223</b>

# Operating segment information

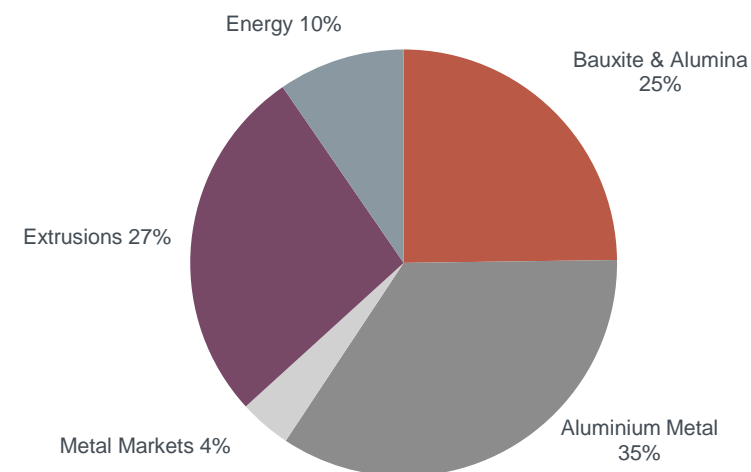


Return on average capital employed <sup>1)</sup> (RoCE)

	Reported RoCE							Adjusted RoCE						
	2020	2019	2018	2017	2016	2015	2014	2020	2019	2018	2017	2016	2015	2014
Hydro Bauxite & Alumina	5.4%	1.9%	4.6%	8.5%	2.7%	5.3%	(0.1)%	5.9%	2.5%	6.0%	8.5%	2.8%	5.3%	(0.1)%
Hydro Aluminium Metal	1.9%	(3.9%)	5.6%	11.8%	5.2%	10.7%	10.4%	2.9%	(2.6%)	4.7%	12.6%	5.2%	11.0%	10.4%
Hydro Metal Markets	22.5%	20.7%	25.1%	18.6%	19.6%	5.4%	21.9%	21.4%	27.3%	19.4%	20.9%	15.9%	11.4%	19.4%
Hydro Extrusions <sup>2)</sup>	1.3%	3.8%	5.3%	13.4%				6.2%	5.7%	7.2%	6.6%			
Hydro Energy <sup>3)</sup>	249.5%	13.4%	18.8%	17.5%	18.1%	17.2%	17.4%	8.7%	12.9%	18.8%	17.5%	18.1%	17.3%	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>	<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	Jun 30, 2021
Hydro Bauxite & Alumina	21 818
Hydro Aluminium Metal	30 396
Hydro Metal Markets	3 468
Hydro Extrusions	23 902
Hydro Energy	8 444
Other and Eliminations	(1 491)
<b>Total</b>	<b>86 536</b>



Graph excludes BNOK (1.5) 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



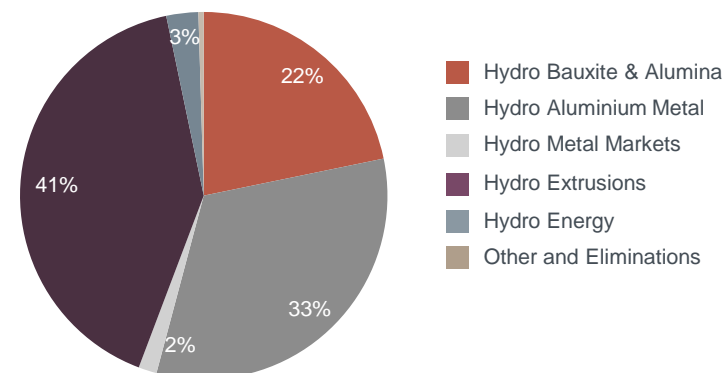
## Depreciation, amortization and impairment

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Year 2020
Hydro Bauxite & Alumina	567	503	470	472	443	472	2 011
Hydro Aluminium Metal	655	1 130	589	618	694	736	2 992
Hydro Metal Markets	36	37	35	40	36	35	149
Hydro Extrusions	554	2 046	597	587	628	573	3 785
Hydro Energy	65	65	64	66	49	48	260
Other and Eliminations	32	(133)	30	27	27	28	(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>1 892</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	Q2 2021	Q2 2020	Q1 2021	First half 2021	First half 2020	Year 2020
Revenue	34 559	25 343	31 951	66 510	56 952	114 291
Share of the profit (loss) in equity accounted investments	462	48	125	587	45	223
Other income, net	322	689	377	699	1 115	7 414
<b>Total revenue and income</b>	<b>35 342</b>	<b>26 081</b>	<b>32 454</b>	<b>67 796</b>	<b>58 112</b>	<b>121 928</b>
Raw material and energy expense	21 213	15 831	19 126	40 338	34 532	68 953
Employee benefit expense	5 206	4 722	5 012	10 218	9 873	19 123
Depreciation and amortization expense	1 885	1 820	1 754	3 639	3 717	7 175
Impairment of non-current assets	7	1 829	122	129	1 841	1 979
Other expenses	3 997	3 468	4 207	8 204	7 510	15 343
<b>Earnings before financial items and tax (EBIT)</b>	<b>3 034</b>	<b>(1 588)</b>	<b>2 233</b>	<b>5 267</b>	<b>640</b>	<b>9 356</b>
Finance income	62	89	39	101	123	290
Finance expense	294	300	385	678	(4 162)	(4 842)
Income (loss) before tax	3 389	(1 200)	2 657	6 046	(3 400)	4 804
Income taxes	(992)	(287)	(776)	(1 768)	170	(918)
<b>Income (loss) from continuing operations</b>	<b>2 397</b>	<b>(1 487)</b>	<b>1 880</b>	<b>4 278</b>	<b>(3 230)</b>	<b>3 886</b>
Income (loss) from discontinued operations	407	16	(380)	27	(266)	(2 226)
<b>Net income (loss)</b>	<b>2 805</b>	<b>(1 471)</b>	<b>1 500</b>	<b>4 305</b>	<b>(3 496)</b>	<b>1 660</b>
Net income (loss) attributable to non-controlling interests	220	(223)	60	279	(438)	(185)
Net income (loss) attributable to Hydro shareholders	2 585	(1 248)	1 441	4 026	(3 059)	1 845
Earnings per share from continuing operations	1.06	(0.62)	0.89	1.95	(1.36)	1.99
Earnings per share from discontinued operations	0.20	0.01	(0.19)	0.01	(0.13)	(1.09)
<b>Earnings per share attributable to Hydro shareholders</b>	<b>1.26</b>	<b>(0.61)</b>	<b>0.70</b>	<b>1.96</b>	<b>(1.49)</b>	<b>0.90</b>

NOK million	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Year 2020
Income (loss) from continuing operations	(1 743)	(1 487)	(111)	7 226	1 880	2 397	3 886
Net income (loss)	(2 025)	(1 471)	(221)	5 377	1 500	2 805	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>3 150</b>	<b>2 848</b>
Earnings per share from continuing operations	(0.75)	(0.62)	(0.05)	3.40	0.89	1.06	1.99
Earnings per share attributable to Hydro shareholders	(0.88)	(0.61)	(0.11)	2.50	0.70	1.26	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>1.45</b>	<b>1.32</b>

# Balance sheet



NOK million	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020
Cash and cash equivalents	20 147	15 011	17 638	17 495	15 385	12 160
Short-term investments	3 607	4 348	4 091	5 399	5 110	1 641
Trade and other receivables	19 838	16 795	18 364	20 268	18 916	24 539
Inventories	16 454	14 316	19 492	19 288	20 382	22 464
Other current financial assets	659	328	470	553	687	1 119
Assets held for sale	-	17 069	-	-	-	-
Property, plant and equipment	56 353	53 890	64 245	68 657	70 478	77 909
Intangible assets	9 174	8 796	9 357	9 903	10 262	12 649
Investments accounted for using the equity method	17 426	17 227	17 288	12 048	12 619	13 845
Prepaid pension	7 976	7 812	7 064	5 959	5 603	5 242
Other non-current assets	8 793	6 634	6 398	6 295	6 704	7 663
<b>Total assets</b>	<b>160 427</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	4 183	4 701	4 748	6 915	7 094	7 728
Trade and other payables	20 302	17 462	18 948	17 865	16 693	21 558
Other current liabilities	5 191	4 036	5 352	3 660	3 721	4 771
Liabilities included in disposal group	-	12 266	-	-	-	-
Long-term debt	24 562	23 658	24 811	25 873	26 595	21 290
Provisions	4 475	4 132	5 605	6 144	6 283	6 892
Pension liabilities	9 550	9 341	19 167	19 679	18 933	19 893
Deferred tax liabilities	4 343	3 535	3 059	2 620	2 562	2 838
Other non-current liabilities	6 276	5 393	5 273	6 215	5 401	7 089
Equity attributable to Hydro shareholders	77 908	74 745	74 279	73 833	75 633	83 213
Non-controlling interests	3 637	2 958	3 165	3 062	3 230	3 959
<b>Total liabilities and equity</b>	<b>160 427</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	Q2 2021	Year 2020
Alumina production (kmt)	1 531	1 442	1 074	1 410	1 540	1 586	5 457
Sourced alumina (kmt)	664	667	940	783	698	737	3 053
Total alumina sales (kmt)	2 140	2 243	1 990	2 122	2 269	2 349	8 495
Realized alumina price (USD) <sup>1)</sup>	278	261	260	272	294	289	268
Implied alumina cost (USD) <sup>2)</sup>	226	192	228	241	243	246	221
Bauxite production (kmt) <sup>3)</sup>	2 585	2 332	1 167	2 556	2 813	2 660	8 640
Sourced bauxite (kmt) <sup>4)</sup>	1 514	1 315	2 051	1 351	1 103	1 676	6 231
Adjusted EBITDA margin <sup>11)</sup>	18.3%	25.1%	10.8%	10.7%	16.6%	14.3%	16.6%

Hydro Aluminium Metal <sup>5)</sup>	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Year 2020
Realized aluminium price LME, USD/mt	1 758	1 579	1 596	1 792	1 993	2 236	1 685
Realized aluminium price LME, NOK/mt <sup>7)</sup>	16 658	15 689	14 712	16 364	16 999	18 746	15 870
Realized premium above LME, USD/mt <sup>6)</sup>	234	212	211	224	264	332	220
Realized premium above LME, NOK/mt <sup>6)7)</sup>	2 212	2 106	1 946	2 042	2 253	2 780	2 077
Realized NOK/USD exchange rate <sup>7)</sup>	9.47	9.93	9.22	9.13	8.53	8.38	9.42
Implied primary cost (USD) <sup>8)</sup>	1 450	1 400	1 450	1 425	1 500	1 550	1 425
Implied all-in primary cost (USD) <sup>9)</sup>	1 700	1 600	1 650	1 650	1 825	1 925	1 650
Hydro Aluminium Metal production, kmt	528	509	522	532	539	561	2 091
Casthouse production, kmt	504	478	508	523	534	553	2 013
Total sales, kmt <sup>10)</sup>	577	510	548	547	599	594	2 182
Adjusted EBITDA margin <sup>11)</sup>	12.3%	7.2%	4.9%	16.4%	19.6%	29.6%	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	Q2 2021	Year 2020
Remelt production (1 000 mt)	137	88	124	140	143	154	488
Third-party sales (1 000 mt)	79	85	85	77	77	78	326
Hydro Metal Markets sales excl. ingot trading (1 000 mt) <sup>1)</sup>	675	606	668	672	742	735	2 621
Hereof external sales excl. ingot trading (1 000 mt)	554	459	526	549	588	607	2 088
External revenue (NOK million)	10 353	8 510	9 242	9 788	10 789	12 552	37 893

Hydro Extrusions	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Year 2020
Hydro Extrusions external shipments (1 000 mt)	305	224	278	291	338	342	1 099
Hydro Extrusions – Pro-forma adjusted EBIT per mt, NOK	2 301	398	3 214	1 755	3 680	3 706	1 999
Adjusted EBITDA margin <sup>2)</sup>	8.2%	5.6%	10.6%	7.2%	10.7%	10.5%	8.0%

Hydro Energy	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021	Year 2020
Power production, GWh	2 868	2 097	3 161	3 396	2 857	2 374	11 522
Net spot sales, GWh	1 169	444	1 401	1 595	1 126	334	4 609
Nordic spot electricity price, NOK/MWh	158	62	95	148	435	423	116
Southern Norway spot electricity price (NO2), NOK/MWh	154	50	52	137	469	493	98
Adjusted EBITDA margin <sup>2)</sup>	23.9%	8.5%	13.0%	22.2%	35.9%	34.4%	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	Q2 2021
Volume (kmt)	29	17	28	33	108	35	33
Operating revenues (NOKm)	1 487	931	1 360	1 583	5 361	1 718	1 742
Adjusted EBITDA (NOKm)	118	139	167	178	602	210	173
Adjusted EBIT (NOKm)	57	74	113	115	359	157	103

Building Systems	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021	Q2 2021
Volume (kmt)	19	17	19	20	74	21	22
Operating revenues (NOKm)	2 199	1 991	2 032	2 211	8 432	2 315	2 434
Adjusted EBITDA (NOKm)	156	206	260	171	792	245	299
Adjusted EBIT (NOKm)	52	101	155	63	371	149	196

Other and eliminations	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021	Q2 2021
Adjusted EBITDA (NOKm)	(79)	(48)	(58)	(71)	(256)	(73)	(27)
Adjusted EBIT (NOKm)	(82)	(52)	(61)	(74)	(269)	(77)	(31)

Extrusion Europe	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021	Q2 2021
Volume (kmt)	127	94	113	118	451	144	147
Operating revenues (NOKm)	5 804	4 440	5 068	5 531	20 843	6 529	6 916
Adjusted EBITDA (NOKm)	436	142	478	466	1 523	705	716
Adjusted EBIT (NOKm)	228	(75)	283	266	703	501	502

Extrusion North America	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020	Q1 2021	Q2 2021
Volume (kmt)	130	96	119	121	465	137	140
Operating revenues (NOKm)	5 885	4 554	5 067	5 288	20 794	5 904	6 501
Adjusted EBITDA (NOKm)	599	220	563	310	1 691	663	689
Adjusted EBIT (NOKm)	435	49	402	151	1 036	518	517

Next event

**Third quarter results  
October 26, 2021**

For more information see  
[www.hydro.com/ir](http://www.hydro.com/ir)

# Investor Relations in Hydro

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**Hydro**

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