



Third quarter 2020 Investor presentation

October 2020



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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.



Strong cash generation, improving markets

Hilde Merete Aasheim,
President & CEO

Q3 2020

Underlying EBIT NOK 1 407 million

Free cash flow NOK 3.1 billion

Markets continuing recovery from Q2 lows

Extruded Solutions uEBITDA up 28% vs Q3 2019

Paragominas pipeline maintenance finalized,
Alunorte ramping up to nameplate capacity

RSK value secured through Hydro-Lyse transaction

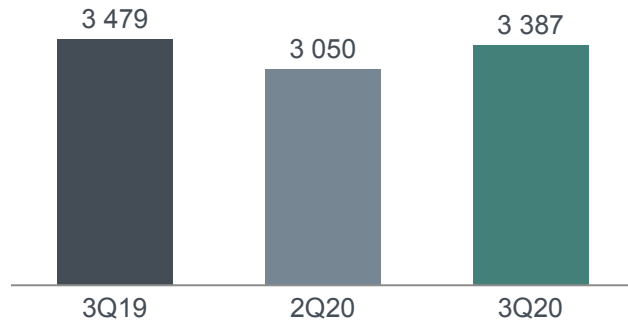
Positive developments in EU regulatory frameworks



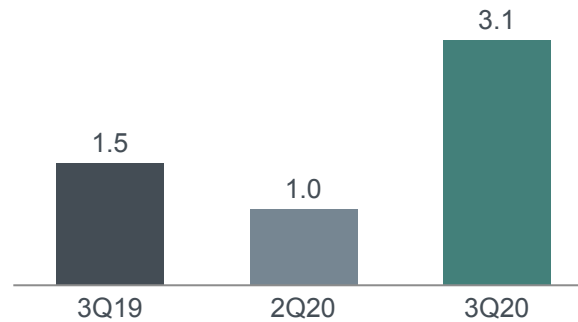
Key performance metrics | Q3



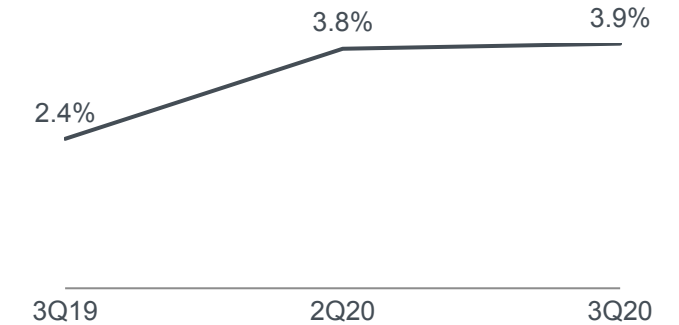
Underlying EBITDA
(NOK million)



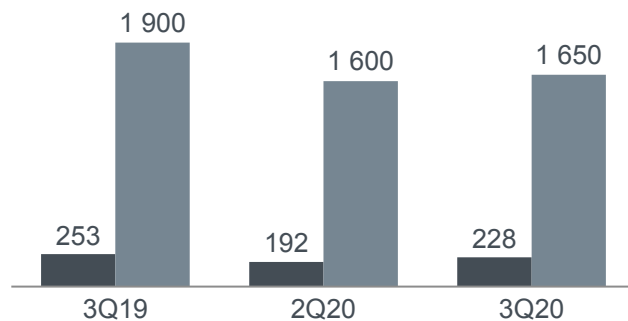
Free cash flow
(NOK billion)



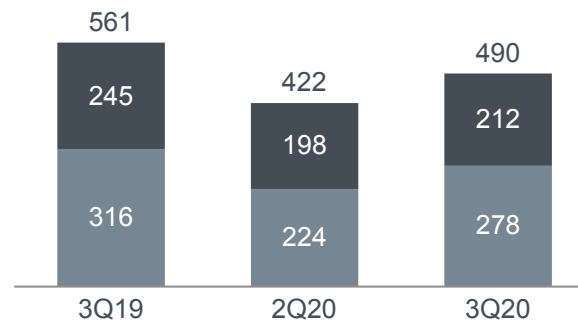
RoaCE
(12-month rolling %)



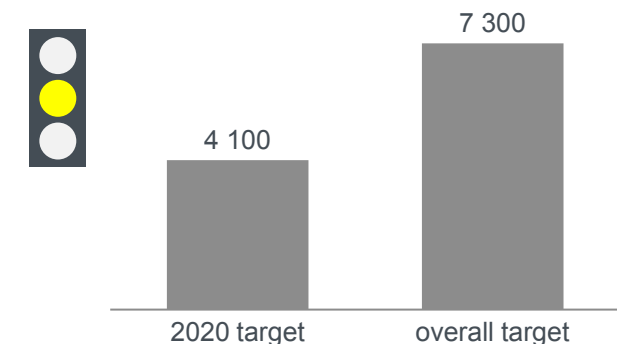
Upstream costs^{1,2)}
(USD per tonne)



Downstream volumes
(tonnes 000s)



Improvement program status
(NOK millions)



■ Bauxite & Alumina
■ Primary Metals

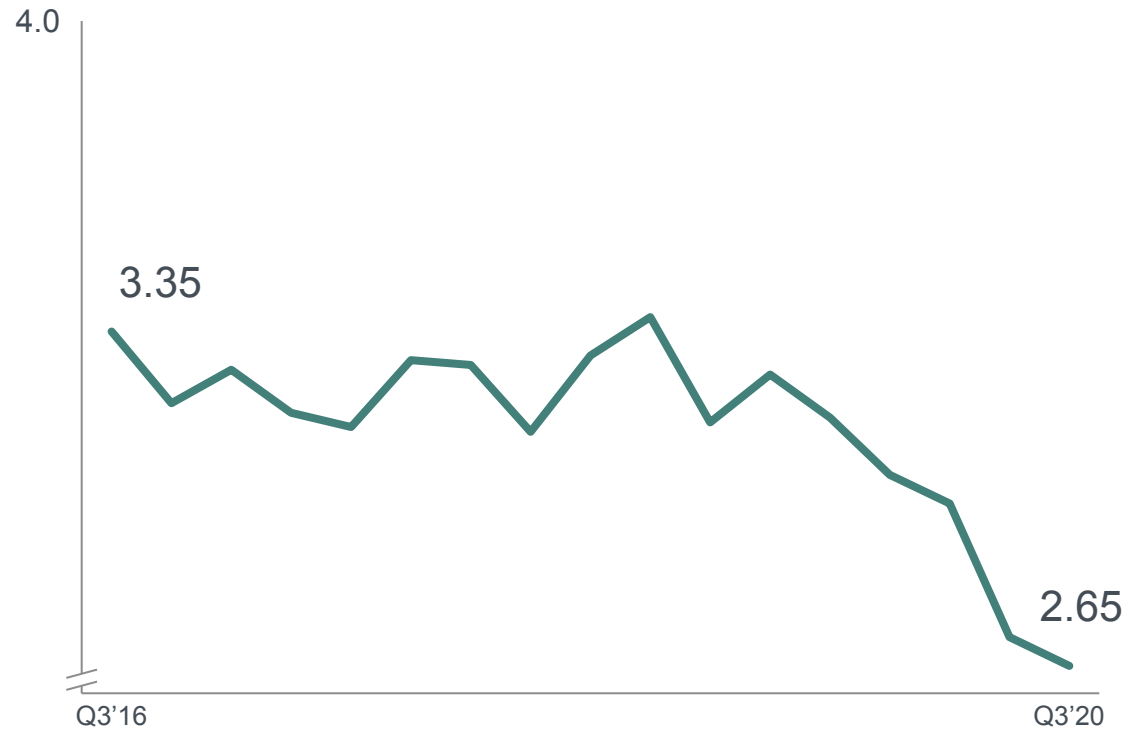
■ Rolled Products
■ Extruded Solutions

1) Realized alumina price minus underlying EBITDA for B&A, per mt alumina sales
2) 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

Health and safety top priority

Positive trend in recordable injuries

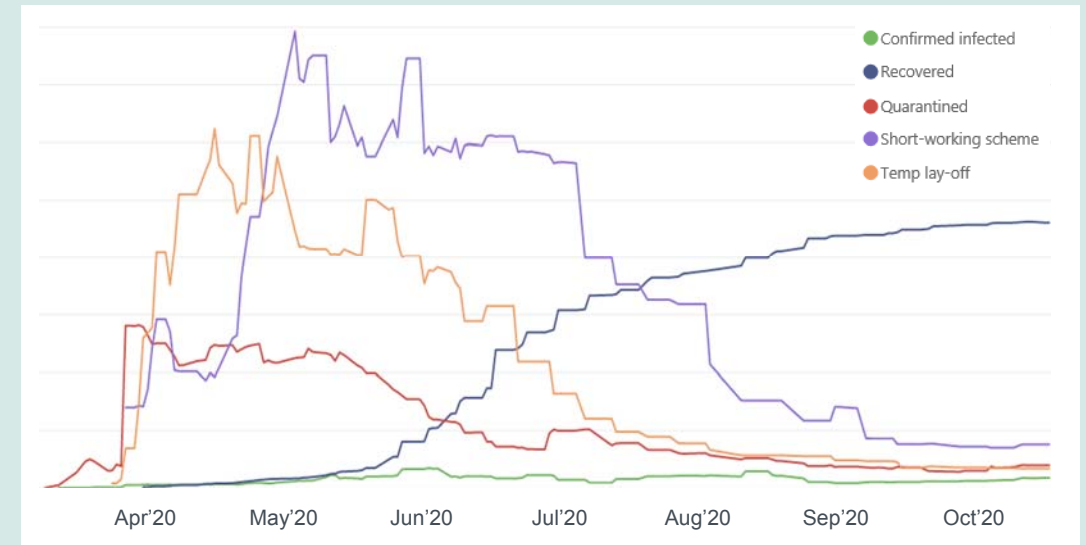
TRF per million hours worked
(12-month rolling) ¹⁾



1) TRF includes own employees and contractors



Employees returning to operations

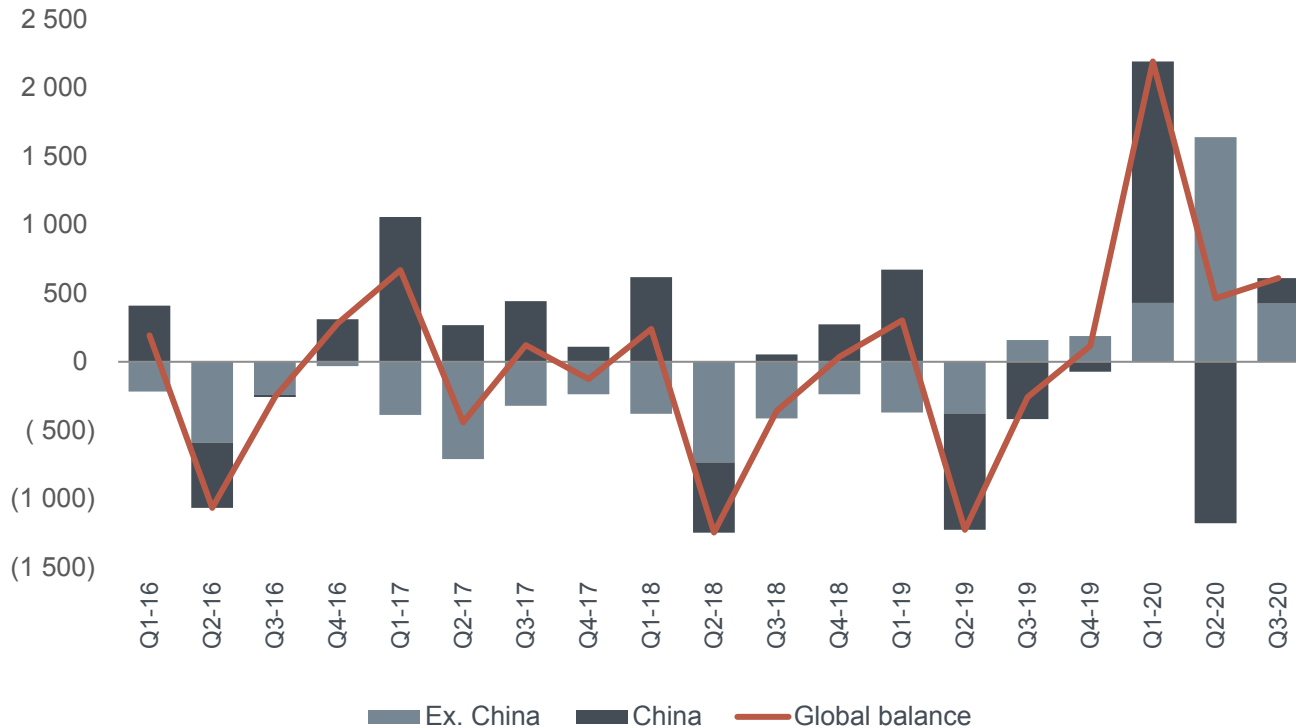


Aluminium surplus lower than earlier forecasted

Global recovery reducing over-supply

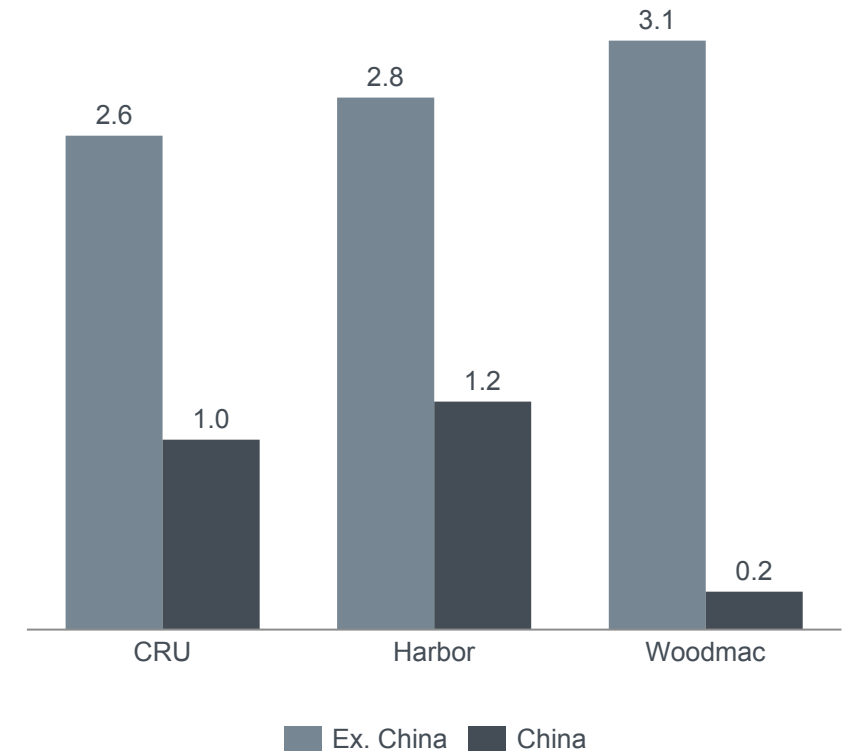
Quarterly market balances, world ex. China and China

Thousand tonnes, primary aluminium



Estimates global balance 2020

Million tonnes, primary aluminium



Source: Republished under license from CRU International Ltd, Harbor Aluminium, Wood Mackenzie

Extruded Solutions volumes down in Q3, market recovering



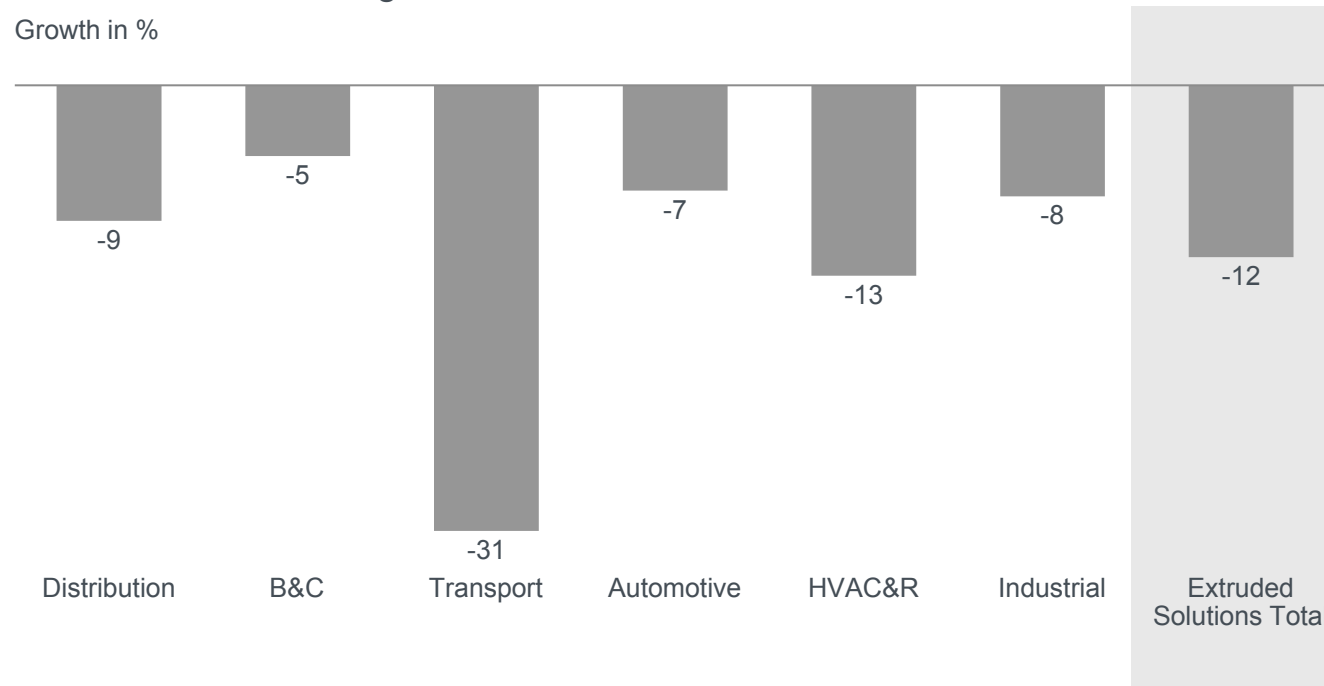
Market performing better than forecasted at Q2

Internal sales volumes - actual

Q3 2020 vs Q3 2019

Extruded Solutions segment sales volume

Growth in %

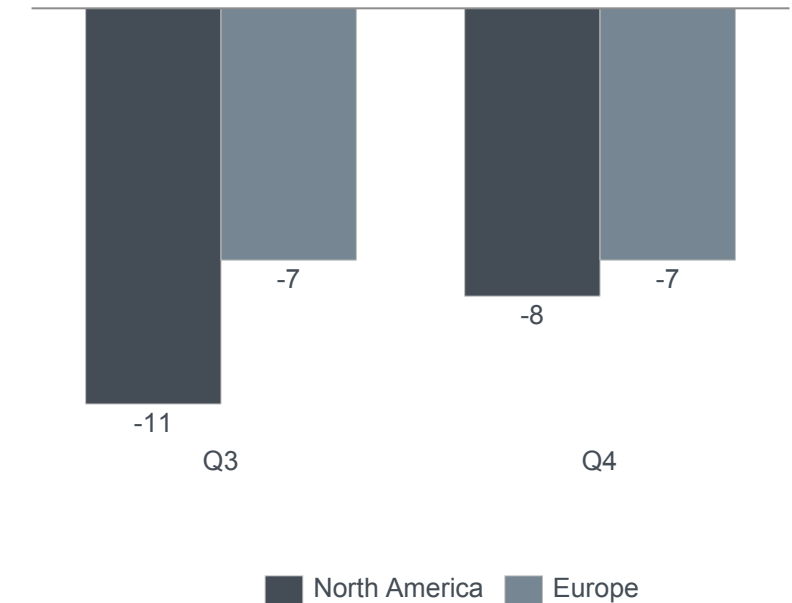


External market forecasts

Quarter 2020 vs Quarter 2019

Extrusion market growth per quarter

Growth in %



Strongly improved results for Extruded Solutions with high cash flow in the quarter

- Extruded Solutions delivered underlying EBITDA of NOK 1.4 billion in Q3 2020 compared to NOK 1.1 billion in the same quarter last year
- NOK 1.7 billion free cash flow contribution after working capital changes and investments
- The quarterly result was positively impacted by compensation for cyber-attack (NOK 192 million) and government grants (NOK 64 million)
- A key driver for the performance was the ability to adjust overall costs amid weaker demand
 - Some costs will increase in line with improving demand, but a large portion is considered sustainable
 - Procurement and other cost reductions on track
- Restructuring program on track, bottom line impact increasing quarter by quarter
 - Closure of 10 plants during 2019 and 2020
 - Divestment of 4 plants
 - Demanning of 1300 people in addition to divestments



Rolled Products volumes down in Q3, market recovering



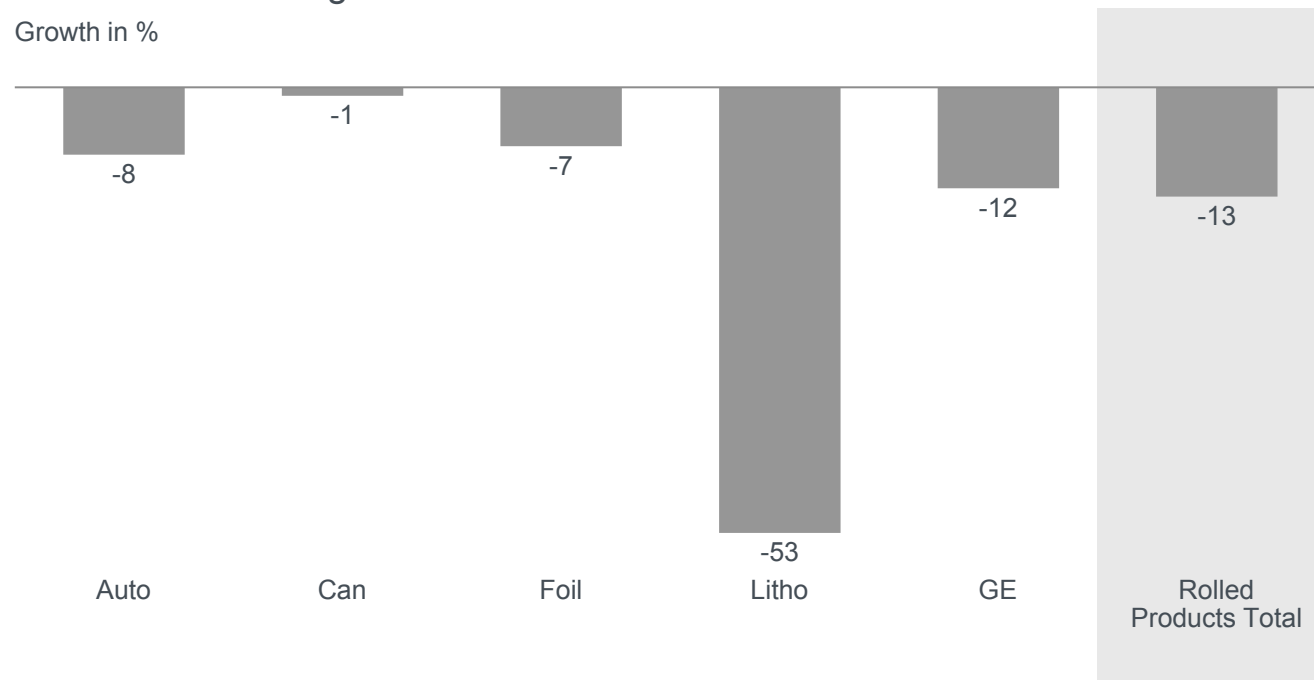
Q3 Market performed in line with forecast at Q2

Internal sales volumes - actual

Q3 2020 vs Q3 2019

Rolled Products segment sales volume

Growth in %

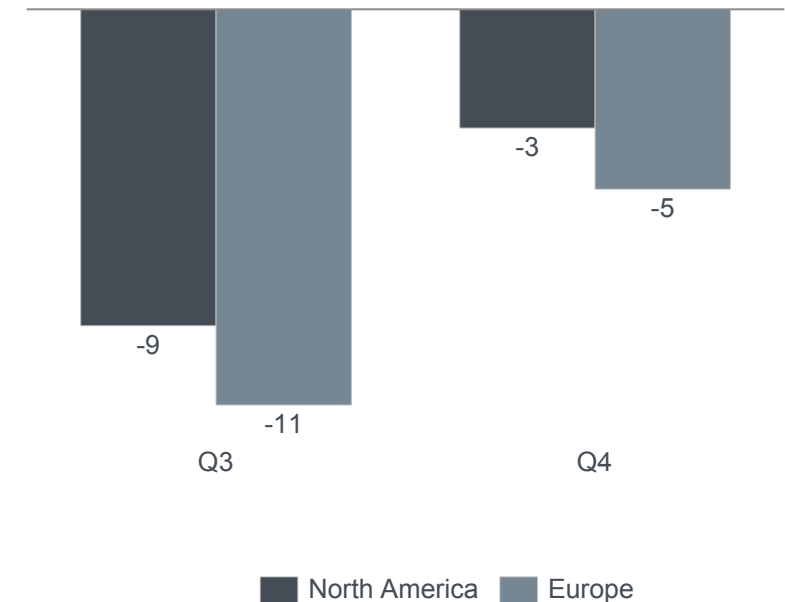


External market forecasts

Quarter 2020 vs Quarter 2019

Rolled products market growth per quarter

Growth in %



Pipeline maintenance complete, Alunorte ramping up to nameplate capacity

Background

- Pipeline segment replacements planned for November 2020 rescheduled to August 2020
- Alunorte production at 50% capacity during the extended maintenance period from mid-August
- Work complete as of October 8 – ahead of schedule

Forecast Q4

- Production at Alunorte estimated at ~90%
- Alunorte expected to reach nameplate capacity by end of year as planned

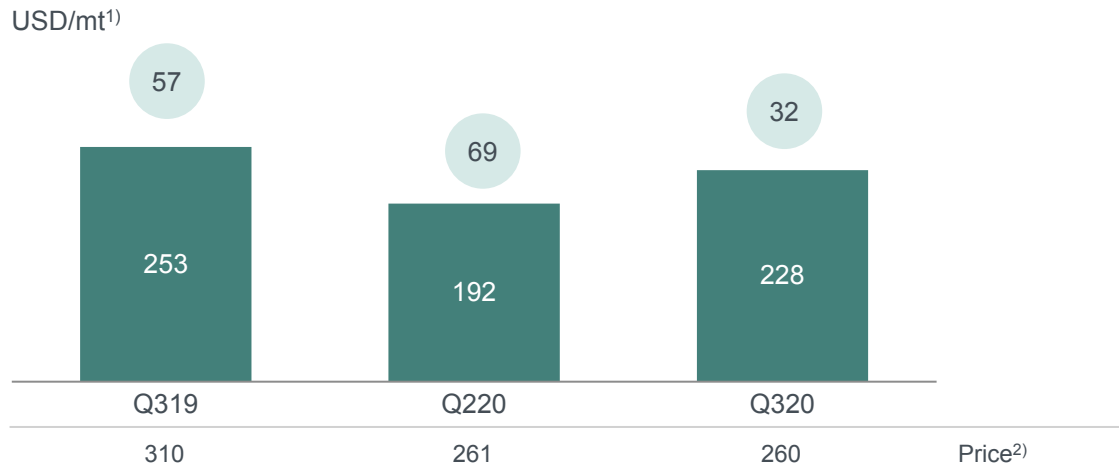


Lower margins upstream in Q3



Implied alumina cost negatively impacted by pipeline maintenance

Implied alumina cost and margin

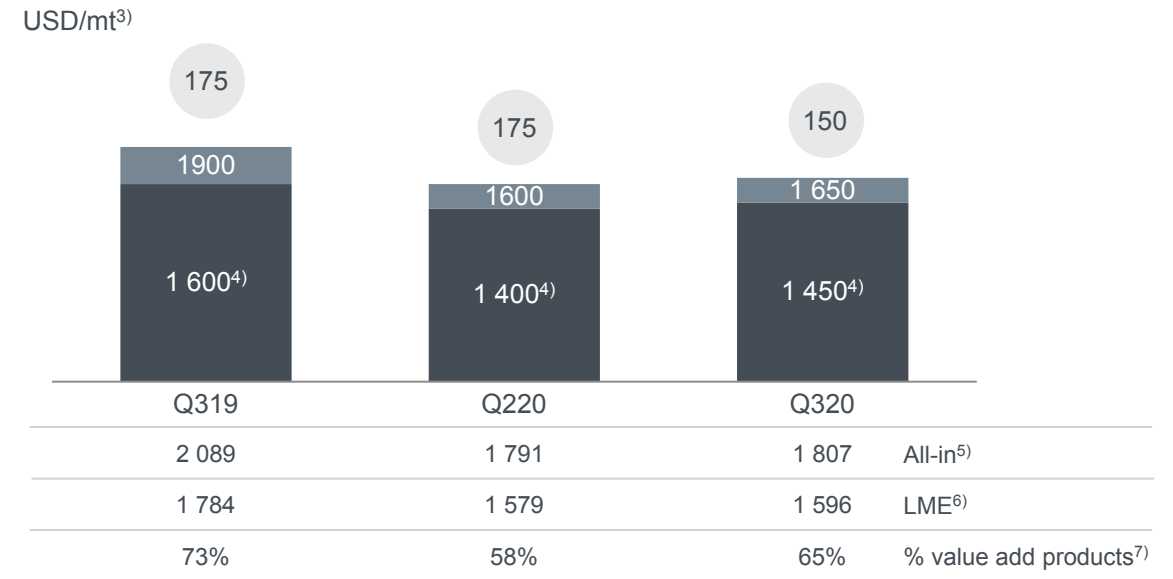


Alumina margins falling on flat price development and higher implied costs due to reduced volumes and higher raw material costs

■ Implied EBITDA cost per mt ● All-in EBITDA margin per mt

1) Realized alumina price minus underlying EBITDA for B&A, per mt alumina sales
 2) Realized alumina price
 3) 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
 4) Realized LME aluminium price less underlying EBITDA margin, incl Qatalum, per mt primary aluminium produced

All-in implied primary cost and margin



Primary cost slightly up from Q2 2020 to Q3 2020, mainly on currency

■ All-in Implied EBITDA cost per mt³⁾ ■ LME Implied EBITDA cost per mt⁴⁾ ● All-in EBITDA margin per mt

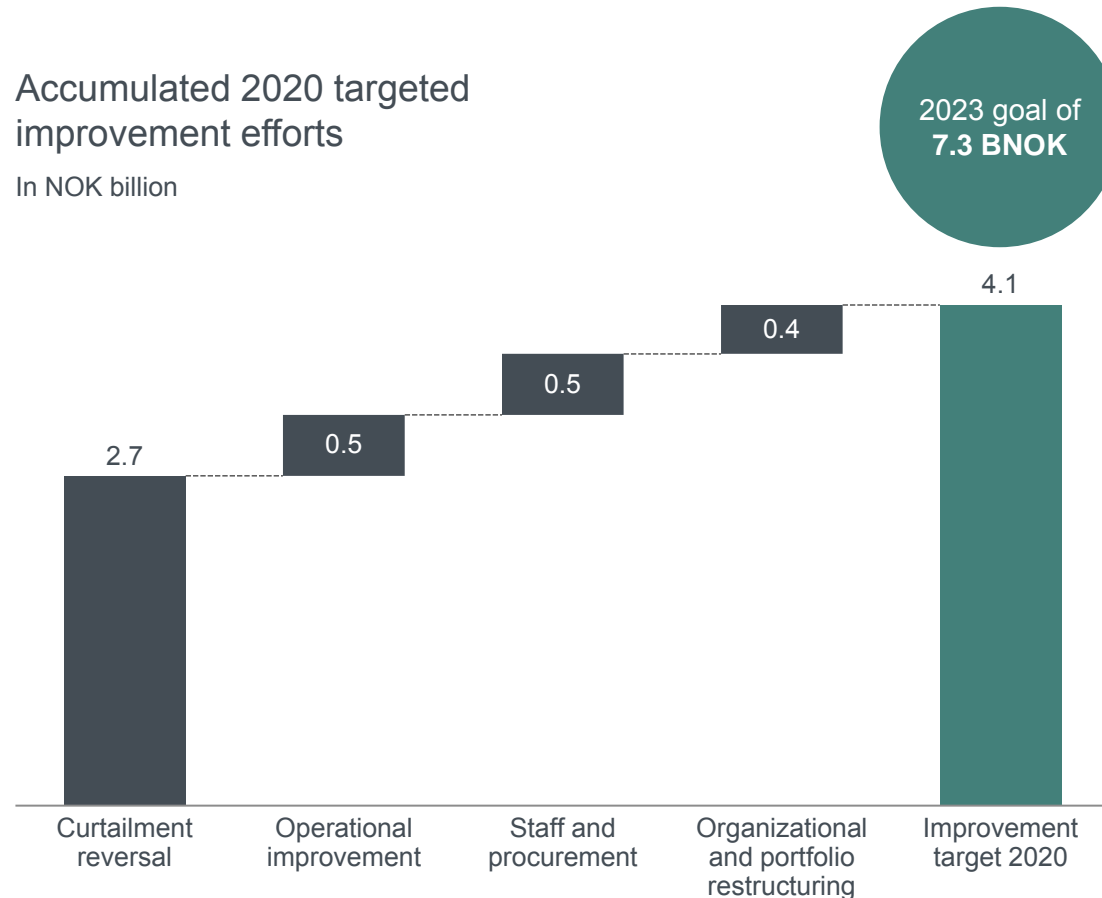
5) Realized LME plus realized premiums, including Qatalum
 6) Realized LME, including Qatalum
 7) % of volumes extrusion ingot, foundry alloy, sheet ingot, wire rod of total sales volumes

Cost initiatives well underway across all business areas and staffs



Improvement program behind plan on pipeline maintenance and slower ramp up in Brazil, expect to catch up to run rate at year end

Accumulated 2020 targeted improvement efforts
In NOK billion



Bauxite & Alumina

- Extended pipeline maintenance negatively affecting production ramp-up
- Alunorte targeting to reach nameplate capacity by end-2020

Primary Metal

- Albras Line 1 ramped up following outage
- Fixed cost reductions ahead of plan

Rolled Products

- Organizational right-sizing efforts exceeding 2020 plan
- Procurement initiatives and metal cost optimization ramped up and ahead of plan in September

Extruded Solutions

- Extruded Solutions realizing targeted improvements through portfolio review and fixed cost initiatives

EU regulatory developments paving the way for low-carbon aluminium

Aluminium a strategic material for the EU



- Newly launched “European Raw Material Alliance”
- Aluminium included within scope of materials to reach EU’s 2050 climate neutrality goal

CO₂ compensation



- Revised guidelines from EU for 2021-2030
- National states to decide implementation
- Expectation that all European primary aluminium plants will be eligible for compensation

Trade measures



- European Commission has announced provisional anti-dumping duties on Chinese extrusion imports
- EU imports from China rose from 600 thousand tonnes in 2011 to 1.1 million tones in 2019, representing 6% market share
 - YTD 2020 extrusion volumes from China down 30%
- European Commission has opened anti-dumping investigation into flat rolled products from China
- European Commission has opened an anti-dumping investigation into converter foil from China

Our ambition

Lifting profitability and driving sustainability
– creating value for all stakeholders

Profitability & sustainability



Our strategic direction

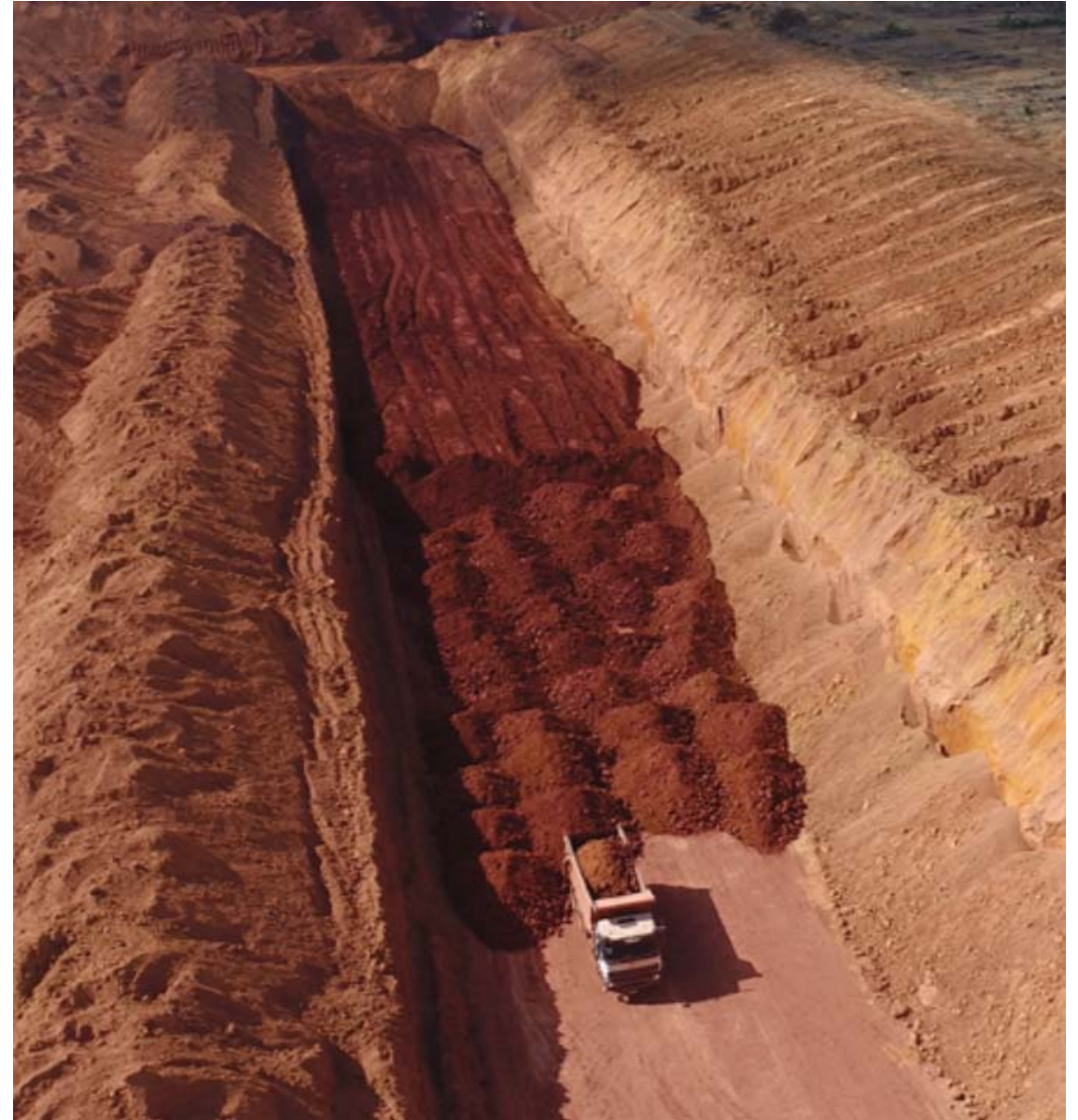
1. Strengthen position in low-carbon aluminium
2. Diversify and grow in recycling and new energy

B&A: Dry backfill technology drives sustainable mining

- Industry pioneer project to eliminate the need for new tailings storage facilities
- Minimizing environmental footprint and avoiding the creation of new tailings dams
- Increasing operational safety and security, by reducing the risk of dam failure
- If pilot project is successful, potential for eliminating need for continuous construction of new dams



Profitability & sustainability

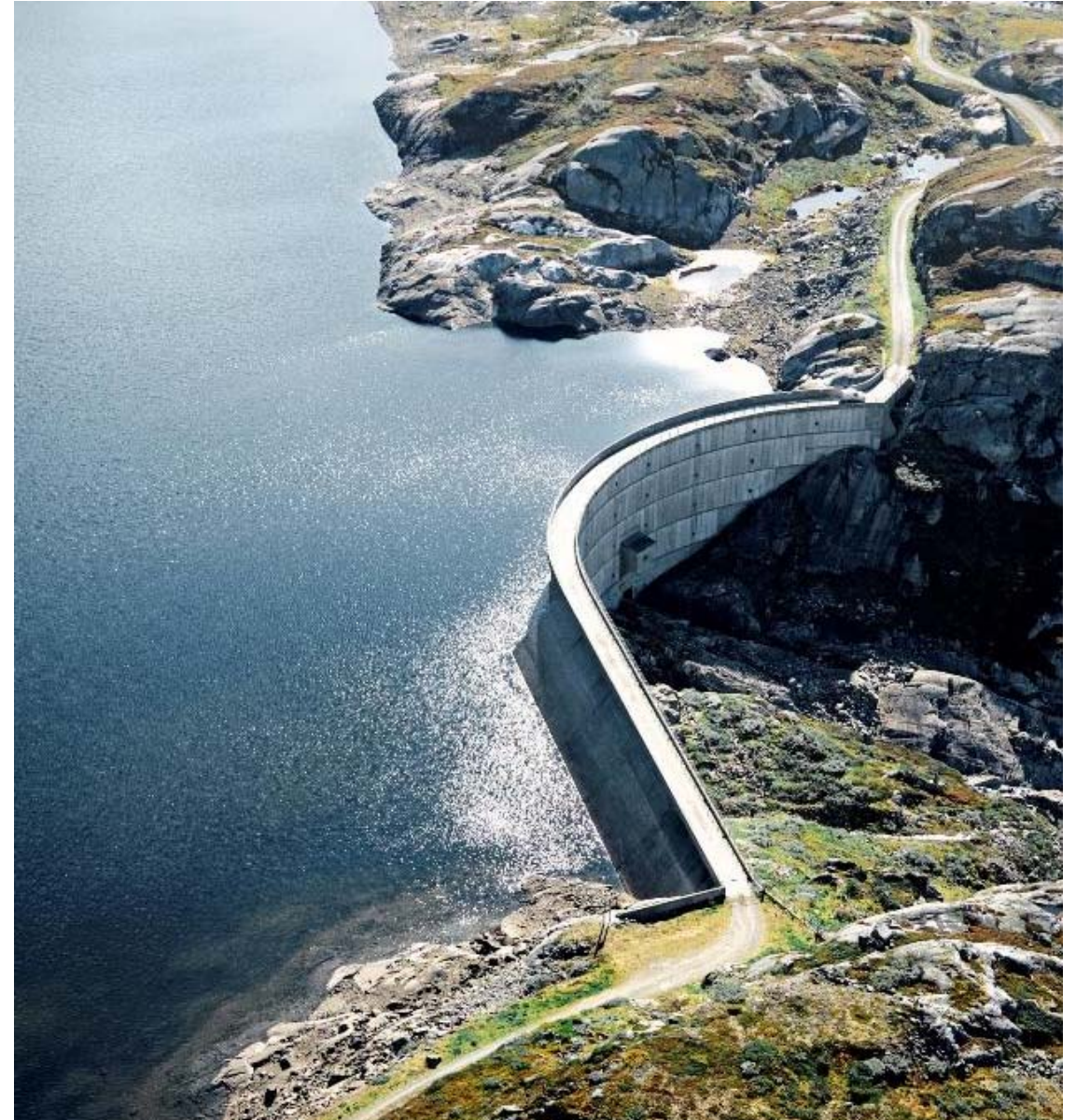


Energy: Securing RSK value through Lyse transaction

- The transaction removes uncertainty by finding a favorable solution for RSK assets, which are subject to reversion in 2022
 - Hydro's ownership no longer subject to reversion after transaction
 - RSK represents 30% of current captive production
- Secures asset-values and long-term industrial ownership of equity hydropower assets in Norway
 - Robust foundation for long-term operations in aluminium
- Strengthens Hydro's energy leg and potential to grow in attractive growth segments connected to renewables and energy storage



Profitability & sustainability



RP: Record output at Neuss used beverage can line supporting Hydro ambition in recycling

- Positioning Hydro within growing megatrend: increased use of recycled post consumer scrap
- Capable of recycling all beverage cans consumed in Germany, 20% of European used beverage cans (UBC)
- UBC line ramped up and exceeding 4 000 tons per month in production
- Qualified for Hydro CIRCAL production
- Operational improvements reducing metal costs and supporting metal cost optimization initiatives



Profitability & sustainability

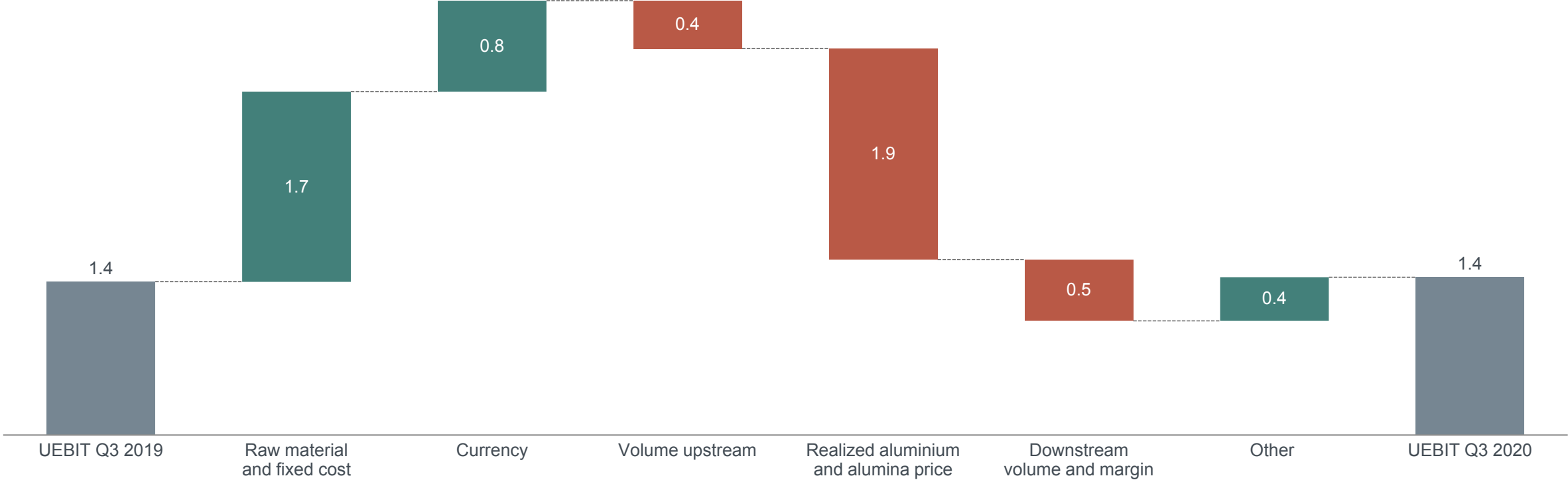


Results slightly up on raw material cost, fixed cost and currency, offset by volumes and realized prices



Q3 2020 vs Q3 2019

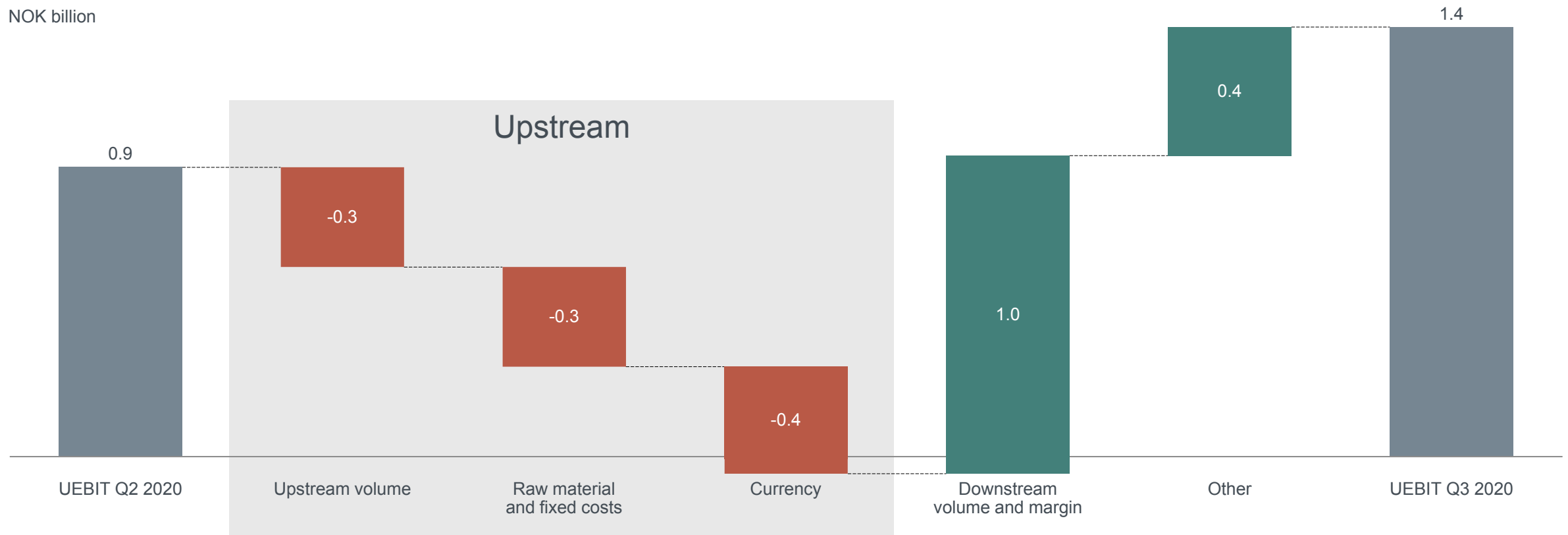
NOK billion



Results up on increased downstream volume and margin, partly offset by upstream volume and currency



Q3 2020 vs Q2 2020
NOK billion



Key financials



| NOK million | Q3 2020 | Q3 2019 | Q2 2020 | Year 2019 |
|-------------------------------------|--------------|----------------|----------------|----------------|
| Revenue | 33 169 | 37 517 | 30 931 | 149 766 |
| Underlying EBIT | 1 407 | 1 366 | 949 | 3 359 |
| Items excluded from underlying EBIT | (415) | 1 144 | 2 610 | 2 860 |
| Reported EBIT | 1 822 | 222 | (1 661) | 499 |
| Reported EBITDA | 3 879 | 2 430 | 2 267 | 9 878 |
| Underlying EBITDA | 3 387 | 3 479 | 3 050 | 11 832 |
| Financial income (expense) | (1 787) | (1 628) | 532 | (2 055) |
| Income (loss) before tax | 35 | (1 407) | (1 129) | (1 556) |
| Income taxes | (256) | 16 | (342) | (813) |
| Net income (loss) | (221) | (1 390) | (1 471) | (2 370) |
| Underlying net income (loss) | 550 | 606 | 183 | 708 |
| Reported EPS, NOK | (0.11) | (0.62) | (0.61) | (0.88) |
| Underlying EPS, NOK | 0.26 | 0.33 | 0.10 | 0.52 |

Excluded a gain of NOK ~400 million from Underlying EBIT



| NOK million | Q3 2020 | Q3 2019 | Q2 2020 | Year 2019 |
|---|--------------|--------------|----------------|--------------|
| Underlying EBIT | 1 407 | 1 366 | 949 | 3 359 |
| Unrealized derivative effects on LME related contracts | 656 | 120 | (478) | (91) |
| Unrealized derivative effects on power and raw material contracts | (160) | 46 | (62) | 99 |
| Metal effect, Rolled Products | (95) | (123) | (165) | (370) |
| Significant rationalization charges and closure costs | (41) | (1 206) | (135) | (1 484) |
| Impairment charges | (77) | (95) | (1 826) | (906) |
| Alunorte agreements – provisions | - | (30) | - | (80) |
| Transaction related effects | 65 | - | (6) | (21) |
| Pension | - | 82 | - | 62 |
| Other effects | 68 | 62 | 62 | (68) |
| Reported EBIT | 1 822 | 222 | (1 661) | 499 |

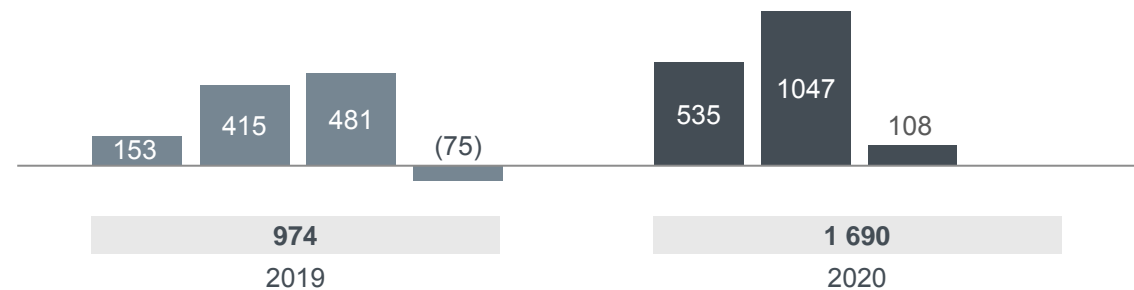
Bauxite & Alumina

Results down on lower prices and lower production during pipeline maintenance

| Key figures | Q3 2020 | Q3 2019 | Q2 2020 |
|--|---------|---------|---------|
| Alumina production, kmt | 1 074 | 1 320 | 1 442 |
| Total alumina sales, kmt | 1 990 | 2 124 | 2 243 |
| Realized alumina price, USD/mt | 260 | 310 | 261 |
| Implied alumina cost, USD/mt ¹⁾ | 228 | 253 | 192 |
| Bauxite production, kmt | 1 167 | 2 152 | 2 332 |
| Underlying EBITDA, NOK million | 578 | 1 071 | 1 550 |
| Underlying EBIT, NOK million | 108 | 481 | 1 047 |
| Underlying RoaCE, % LTM ²⁾ | 4.9% | 3.9% | 5.6% |

Underlying EBIT

NOK million



1) Realized alumina price minus underlying EBITDA for B&A, per mt alumina sales

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



Results Q3 20 vs Q3 19

- Lower production at Alunorte due to pipeline maintenance
- Lower alumina prices
- Lower raw material costs
- Positive currency effects

Outlook Q4 20

- Production expected to be around 90%
- Alunorte estimated to reach nameplate capacity by year-end

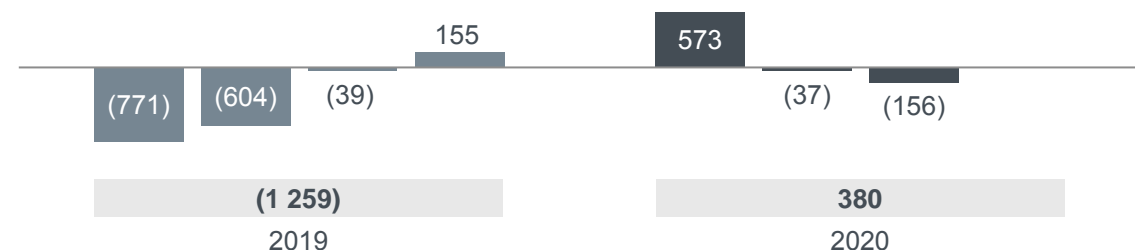
Primary Metal

Results down on lower all-in metal prices partly offset by lower raw material prices

| Key figures | Q3 2020 | Q3 2019 | Q2 2020 |
|---|---------|---------|---------|
| Primary aluminium production, kmt | 522 | 522 | 509 |
| Total sales, kmt | 548 | 537 | 510 |
| Realized LME price, USD/mt | 1 596 | 1 784 | 1 579 |
| Realized LME price, NOK/mt | 14 712 | 15 732 | 15 689 |
| Realized premium, USD/mt | 211 | 305 | 212 |
| Implied all-in primary cost, USD/mt ¹⁾ | 1 650 | 1 900 | 1 600 |
| Underlying EBITDA, NOK million | 404 | 550 | 560 |
| Underlying EBIT, NOK million | (156) | (39) | (37) |
| Underlying RoaCE, % LTM ²⁾ | 1.3% | (4.5)% | 1.6% |

Underlying EBIT

NOK million



1) Realized all-in aluminium price minus underlying EBITDA margin, including Qatalum, per mt aluminium sold. Including Qatalum volumes.

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

3) Bookings as per 31.03.2020



Results Q3 20 vs Q3 19

- Lower all-in metal prices
- Lower raw material prices
- Positive currency effects

Outlook Q4 20

- ~ 62% of primary production for Q4 priced at USD 1 750 per mt ³⁾
- ~ 53% of premiums affecting Q4 booked at USD ~260 per mt ³⁾
 - Q4 realized premium expected in the range of USD 175-225 per ton
- Higher fixed costs on top of seasonality, including Husnes ramp-up costs

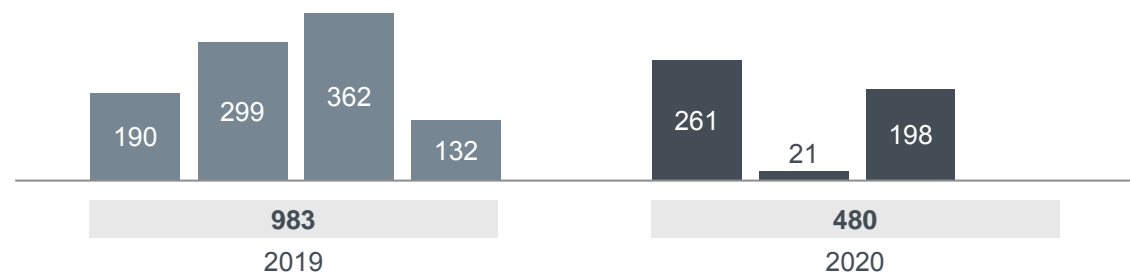
Metal Markets

Down on lower results from the recycling facilities and currency effects

| Key figures | Q3 2020 | Q3 2019 | Q2 2020 |
|--|---------|---------|---------|
| Remelt production, kmt | 124 | 125 | 88 |
| Metal products sales, kmt ¹⁾ | 642 | 662 | 606 |
| Underlying EBITDA, NOK million | 233 | 395 | 58 |
| Underlying EBIT excl currency and inventory valuation effects, NOK million | 262 | 338 | 135 |
| Underlying EBIT, NOK million | 198 | 362 | 21 |
| Underlying RoaCE, % LTM ²⁾ | 16.7% | 28.8% | 20.2% |

Underlying EBIT

NOK million



1) Includes external and internal sales from primary casthouse operations, remelters and third-party metal sources.
 2) URoaCE calculated as underlying EBIT last 4 quarters less 25% tax / Average capital employed last 4 quarters



Results Q3 20 vs Q3 19

- Lower results from recycling facilities
- Lower results from sourcing and trading activities
- Negative contributions from currency and inventory valuation effects.

Outlook Q4 20

- Recycling facilities back to normal operations
- Volatile trading and currency effects

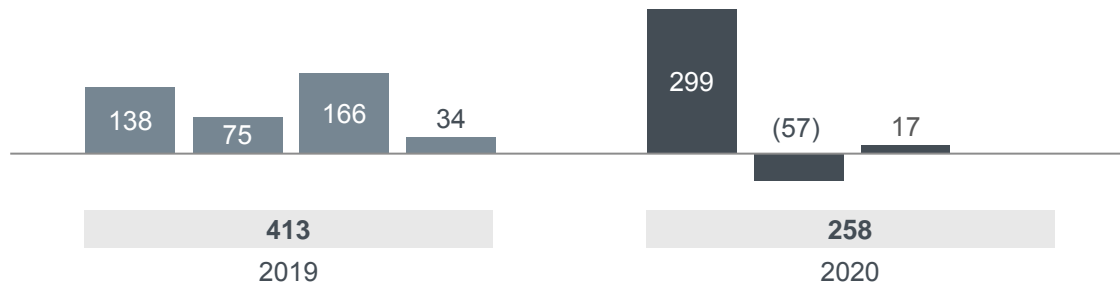
Rolled Products

Results down on reduced sales volume and all-in metal prices, partly offset by lower costs

| Key figures | Q3 2020 | Q3 2019 | Q2 2020 |
|---------------------------------------|---------|---------|---------|
| External sales volumes, kmt | 212 | 245 | 198 |
| Underlying EBITDA, NOK million | 316 | 430 | 249 |
| Underlying EBIT, NOK million | 17 | 166 | (57) |
| Underlying RoaCE, % LTM ¹⁾ | 1.7% | 1.5% | 2.6% |

Underlying EBIT

NOK million



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



Results Q3 20 vs Q3 19

- Reduced sales volumes
- Lower rolling costs
- Higher depreciation
- Improved results from Neuss smelter from lower raw material costs partly offset by lower all-in metal prices

Outlook Q4 20

- Continued market recovery, uncertainty remains
- Anti-dumping duties of around NOK 200 million
- Higher maintenance and other costs

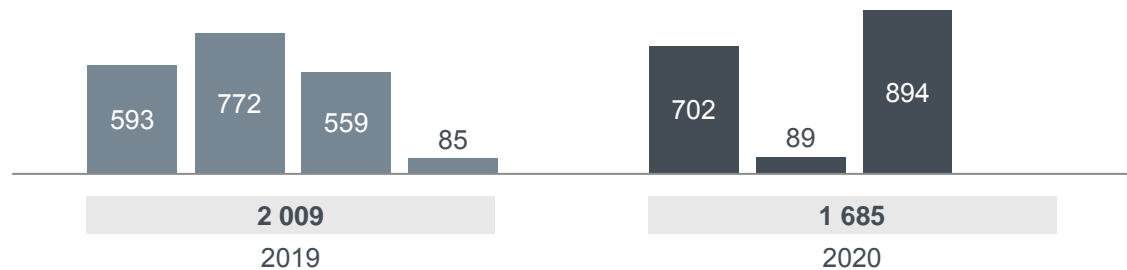
Extruded Solutions

Results up on lower costs and cyber insurance, partly offset by lower volumes

| Key figures | Q3 2020 | Q3 2019 | Q2 2020 |
|---------------------------------------|---------|---------|---------|
| External sales volumes, kmt | 278 | 316 | 224 |
| Underlying EBITDA, NOK million | 1 412 | 1 099 | 649 |
| Underlying EBIT, NOK million | 894 | 559 | 89 |
| Underlying RoaCE, % LTM ¹⁾ | 4.9% | 5.9% | 3.9% |

Underlying EBIT

NOK million



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



Results Q3 20 vs Q3 19

- Lower sales volumes
- Reduced costs
- Cyber insurance compensation of around MNOK 200
- Covid-19 related government grants of around MNOK 60

Outlook Q4 20

- Continued market recovery, uncertainty remains

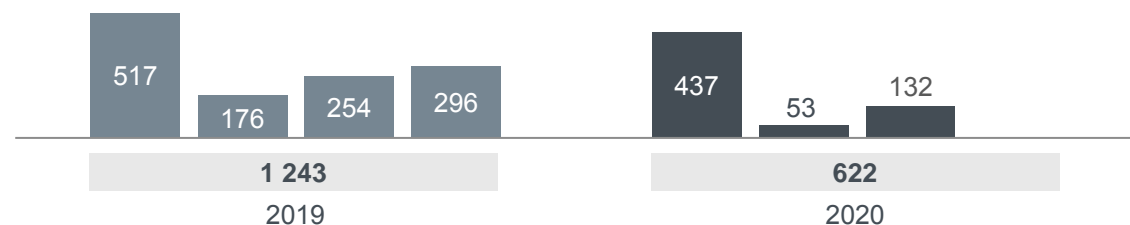
Energy

Results down on lower prices

| Key figures | Q3 2020 | Q3 2019 | Q2 2020 |
|--|---------|---------|---------|
| Power production, GWh | 3 161 | 2 273 | 2 097 |
| Net spot sales, GWh | 1 401 | 582 | 444 |
| Southwest Norway spot price (NO2), NOK/MWh | 52 | 328 | 50 |
| Underlying EBITDA, NOK million | 200 | 319 | 122 |
| Underlying EBIT, NOK million | 132 | 254 | 53 |
| Underlying RoaCE, % LTM ^{1,2)} | 26.3% | 21,3% | 24.4% |

Underlying EBIT

NOK million



1) URoaCE calculated as underlying EBIT last 4 quarters less 70% tax/ Average capital employed last 4 quarters

2) 80% tax rate applied for full year 2019



Results Q3 20 vs Q3 19

- Significantly lower power prices on strong hydrological balance

Outlook Q4 20

- Volume and price uncertainty, high reservoir levels
- Average NO2 spot price ~145 NOK/MWh in October



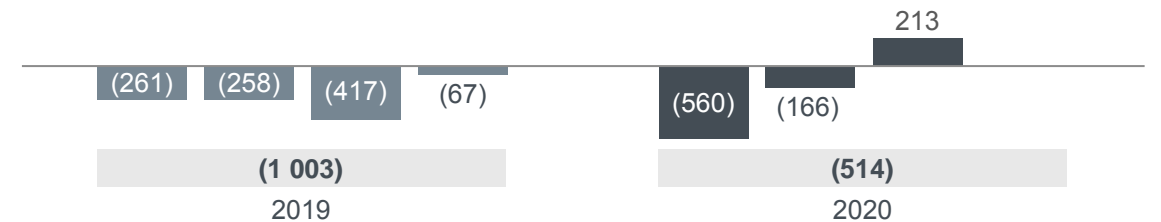
Other and Eliminations

Positive eliminations on reduced internal volumes

| Underlying EBIT, NOK million | Q3 2020 | Q3 2019 | Q2 2020 |
|-------------------------------|------------|--------------|--------------|
| Other | (204) | (160) | (109) |
| Eliminations | 417 | (257) | (58) |
| Other and Eliminations | 213 | (417) | (166) |

Underlying EBIT

NOK million

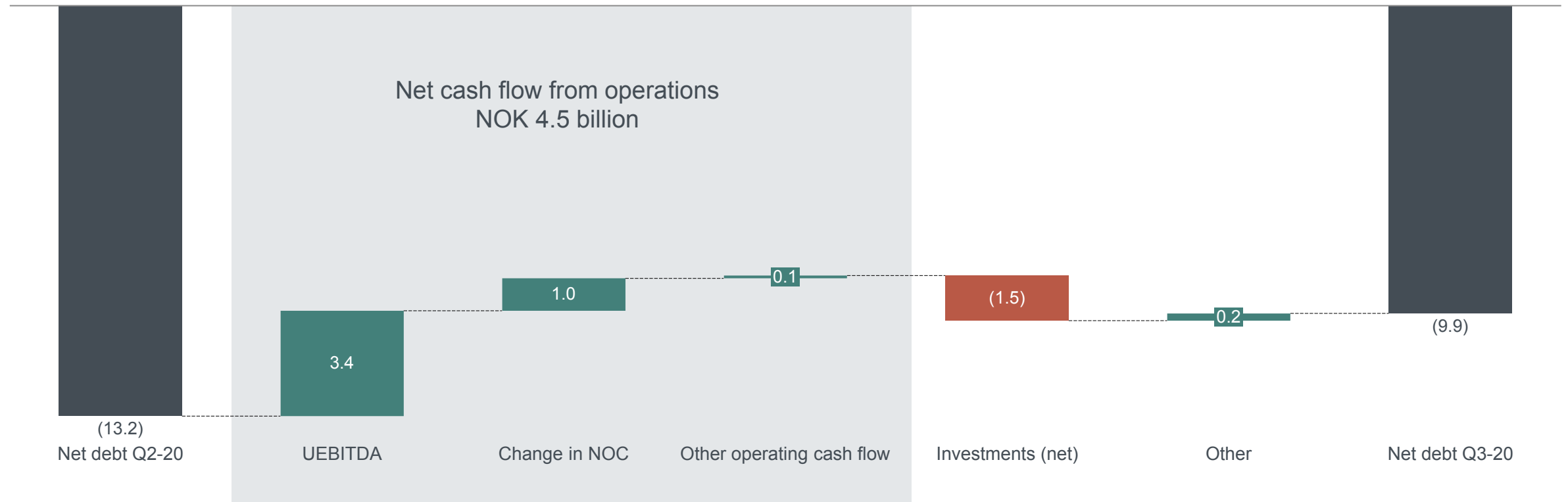


Net debt improvement in Q3



Cash flow from operations, reduced NOC and continued low investment level reduces net debt levels

NOK billion



Adjusted net debt reduced in Q3 2020

| NOK billion | Sep 30, 2020 | Jun 30, 2020 | Mar 31, 2020 | Dec 31, 2019 |
|---|-----------------|-----------------|-----------------|-----------------|
| Cash and cash equivalents | 17.5 | 15.4 | 12.2 | 12.3 |
| Short-term investments | 5.4 | 5.1 | 1.6 | 1.0 |
| Short-term debt | (6.9) | (7.1) | (7.7) | (6.2) |
| Long-term debt | (25.9) | (26.6) | (21.3) | (18.9) |
| Net cash/(debt) | (9.9) | (13.2) | (15.2) | (11.8) |
| Net pension liability at fair value, net of expected tax benefit | (11.5) | (11.1) | (12.4) | (8.6) |
| Other adjustments ¹⁾ | (4.6) | (4.8) | (5.2) | (5.1) |
| Adjusted net debt ex. EAI | (26.0) | (29.1) | (32.8) | (25.4) |
| Net debt in EAI | (5.6) | (5.6) | (6.5) | (5.5) |
| Adjusted net debt incl. EAI | (31.6) | (34.6) | (39.3) | (31.0) |

1) "Other adjustments" include, e.g., asset retirement obligations, cash and short-term investments in Industriforsikring



Hydro hedges around 30% of Bauxite & Alumina BRLUSD exposure



Further portfolio measures being evaluated supporting strategic targets

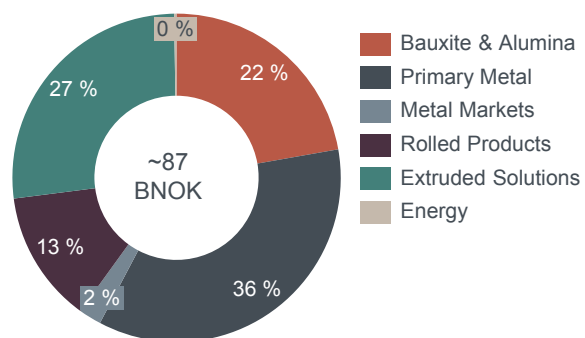
- B&A BRLUSD Hedge
 - USD 383 million sold forward for 2021 and 2022 at average rate of 5.53 BRL/USD
 - USD 194 million 2021 at rate 5.46
 - USD 189 million 2022 at rate 5.61
 - Aim to reduce volatility and uncertainty in Alunorte cash flows
 - Current USDBRL level support a robust cost curve position 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



Capital return dashboard YTD 2020

Measures to preserve cash and financial strength during the Covid-19 situation

Capital employed¹⁾



Capital returns

URoaCE
3.9%²⁾

10% target over the cycle

Balance sheet

FFO/aND
35%³⁾

>40% target over the cycle

Free cash flow YTD 2020

4.1 BNOK⁴⁾

Improvement program

Behind on 4.1 BNOK
refocused 2020 target

2023 target 7.3 BNOK – maintained

Net operating capital

6.4 BNOK cash
release since Q4-18

Target ~ 4 BNOK reduction
from end-2018 to end-2020

Capex

~20% cut in 2020
~2 BNOK in cash savings

2020 new estimate 7- 7.5 BNOK
2020 original plan 9.5-10 BNOK

Shareholder payout

2019 dividend
freeze⁵⁾

40% payout ratio over the cycle
1.25 NOK/share dividend floor

1) Graph excludes (9.0) BNOK in capital employed in Other & Eliminations

2) URoaCE calculated as underlying EBIT last 4 quarters less 30% tax / average capital employed last 4 quarters. RoaCE tax is calculated on UEBIT excluding net Income from equity accounted investments..

3) Funds from operation LTM/Average LTM adjusted net debt

4) Free cash flow – operating cash flow less investing cash flow excl. sales/purchases of short-term investments

5) AGM has approved to amend dividend proposal of NOK 1.25 per share, granting power of attorney to BoD to resolve distribution of dividend at later stage if conditions allow for it



**Lifting profitability,
driving sustainability**

Priorities

- Health and safety first, protecting people and local communities
- Capture opportunities as market recovers
- Continue to deliver on improvement program and improve cash generation
- Pursue profitability and sustainability agenda, strengthen low-carbon position and explore new growth



Market

Investor presentation, October 2020

Macro trends and favorable properties drive aluminium demand

Hydro's strategic direction aims to realize full potential of aluminium's strong qualities and versatility



Aluminium

- ✓ Lightness and strength
- ✓ Durability and formability
- ✓ Corrosion resistance
- ✓ Conductivity
- ✓ Recyclability
- ✗ Energy-intensity



Steel

- ✓ Strength and durability
- ✓ Recyclability
- ✓ Price
- ✗ Weight
- ✗ Corrosion
- ✗ Energy-intensity



Copper

- ✓ Conductivity
- ✓ Corrosion resistance
- ✓ Recyclability
- ✗ Price
- ✗ Weight
- ✗ Energy-intensity



Composites

- ✓ Lightness
- ✓ Strength
- ✗ Price
- ✗ Recyclability
- ✗ Climate footprint
- ✗ Energy-intensity



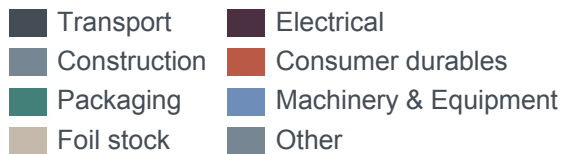
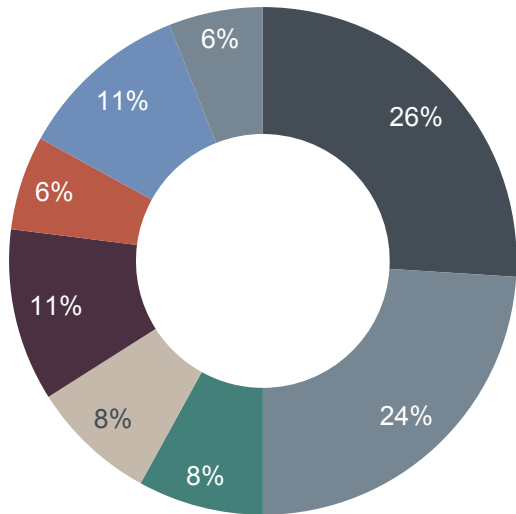
PVC

- ✓ Lightness and formability
- ✓ Corrosion resistance
- ✓ Price
- ✗ Climate footprint
- ✗ Recyclability
- ✗ Durability

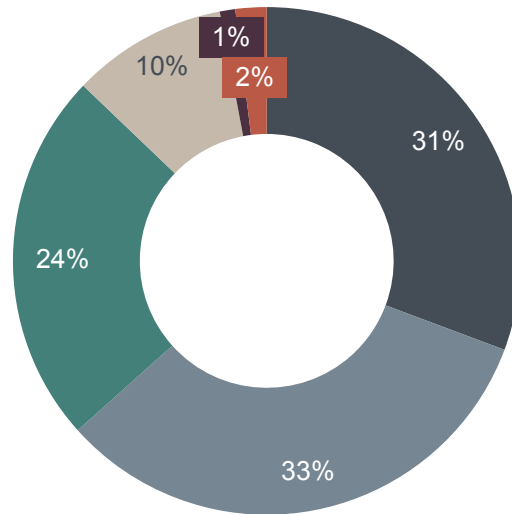
Transport & construction key semis demand segments

Global semis demand 2019: ~90 million tonnes

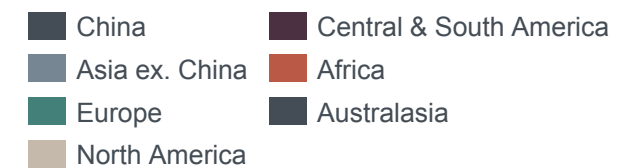
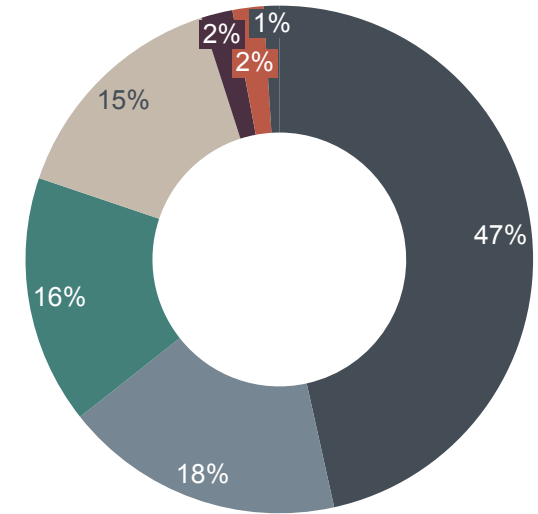
Per segment



Per product form

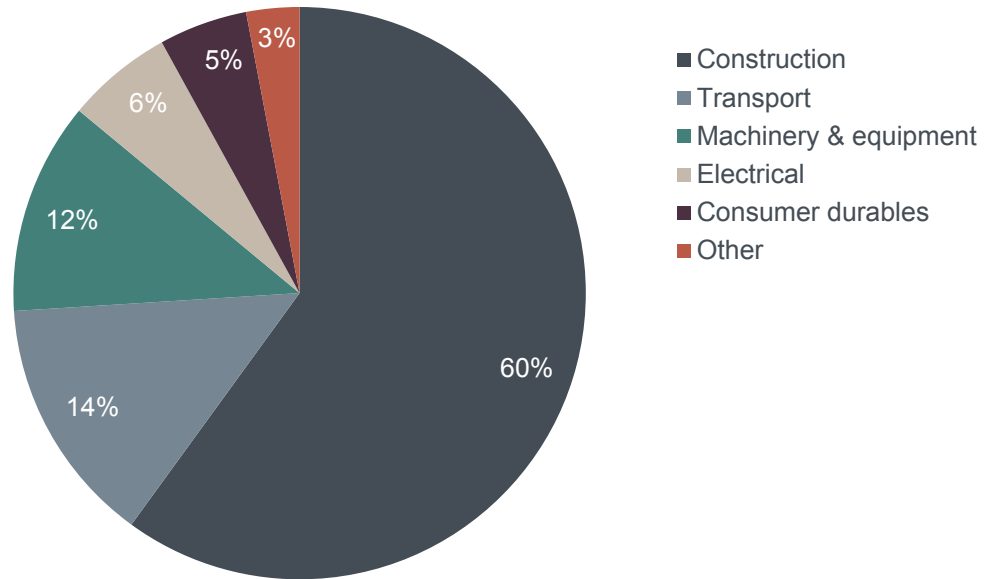


Per region

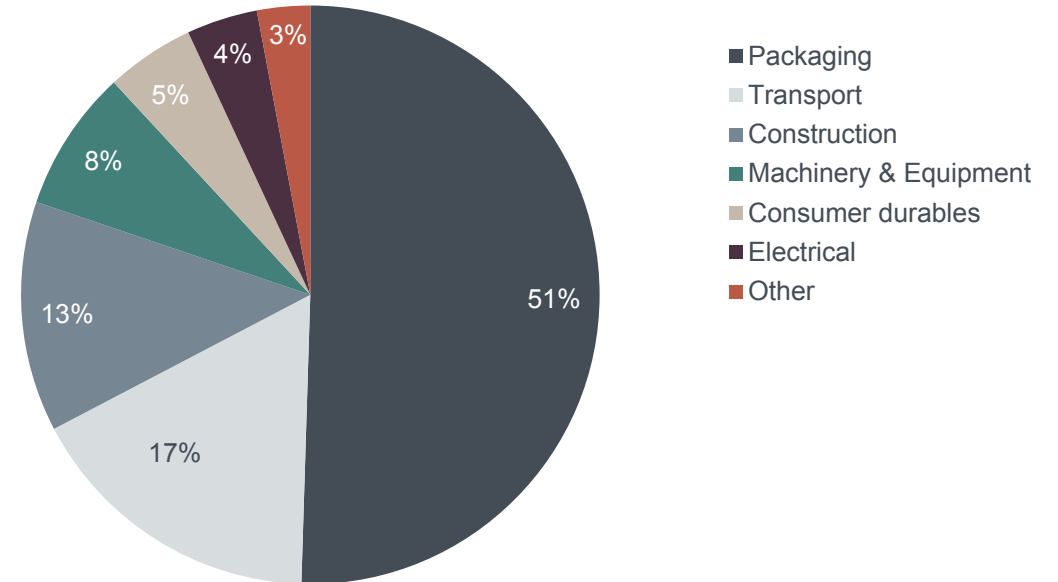


Segment composition in extruded and rolled products

Global segment composition, extrusions
(2019)



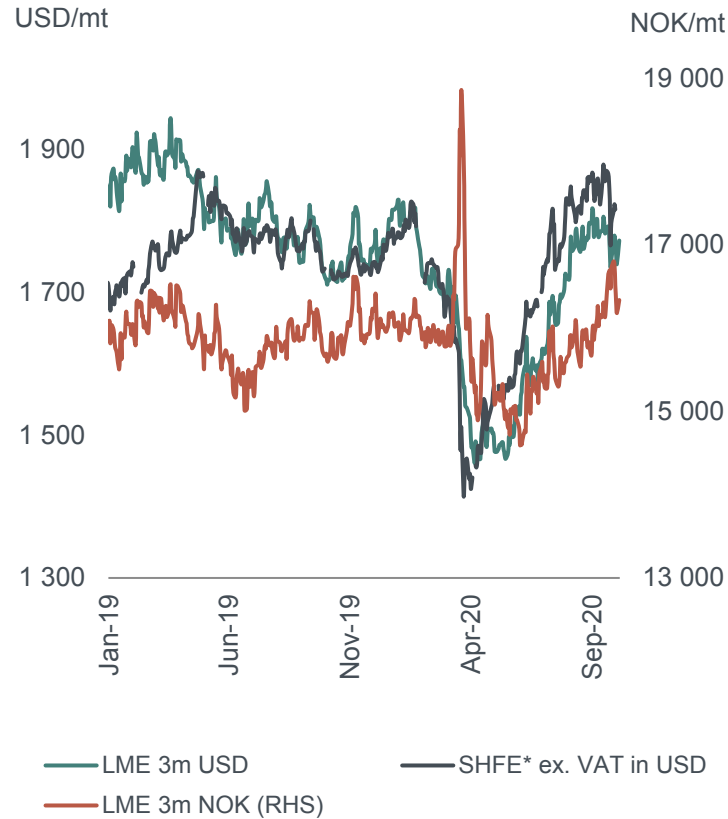
Global segment composition, rolled products
(2019)



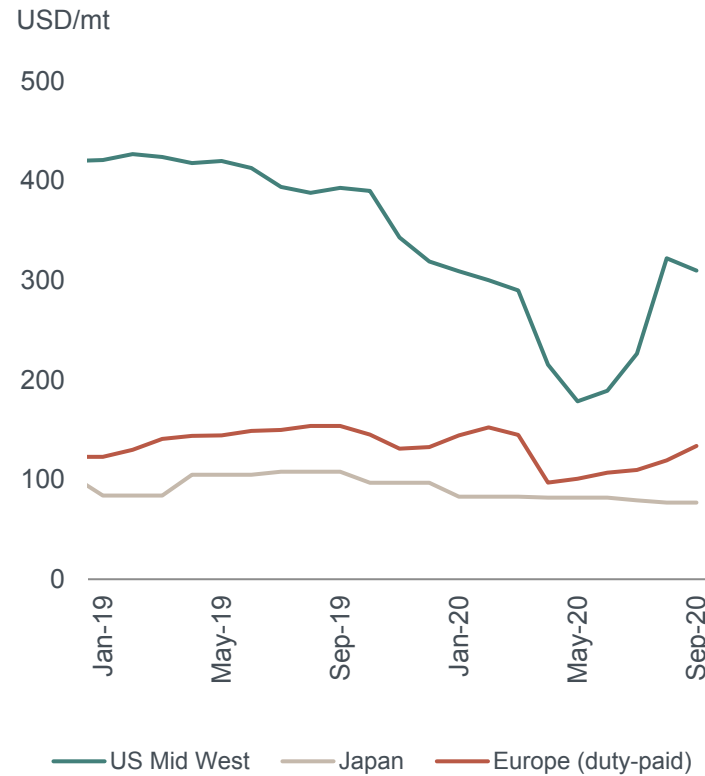
Revenue drivers through Q3'20



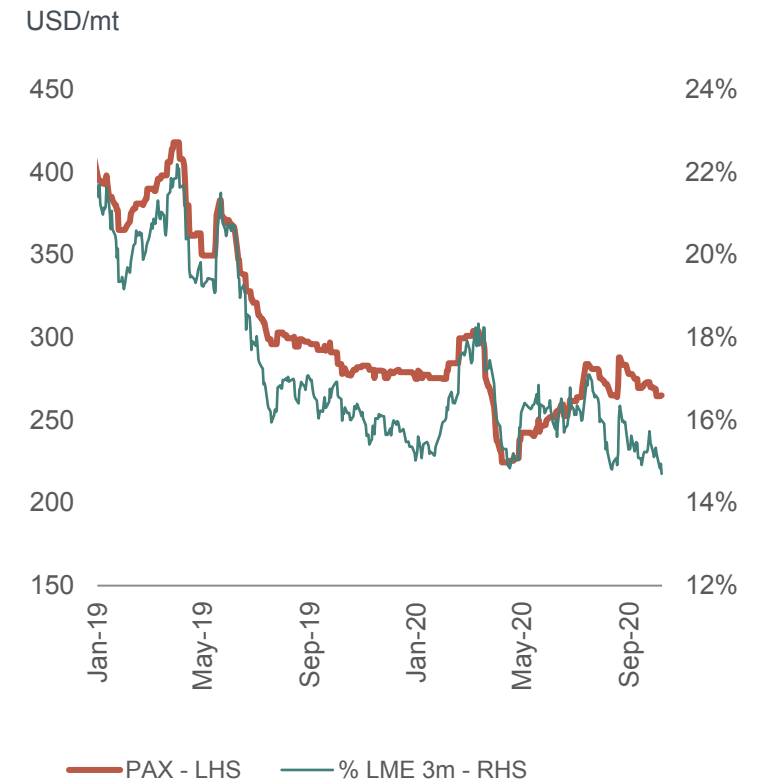
LME and SHFE aluminium prices



Regional standard ingot premiums

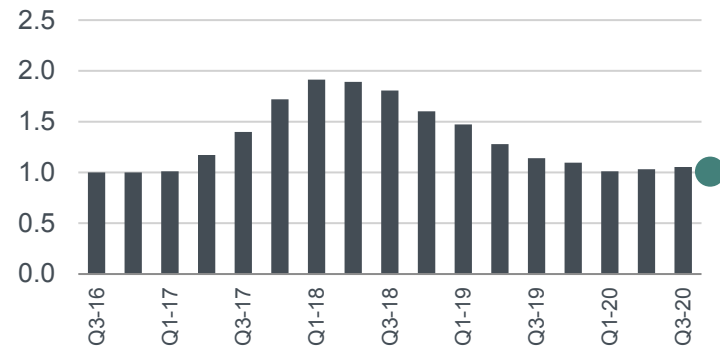


Platts alumina index (PAX)

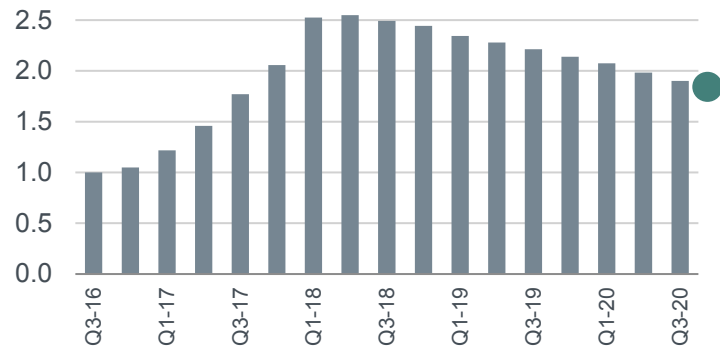


Industry raw material costs in Q3

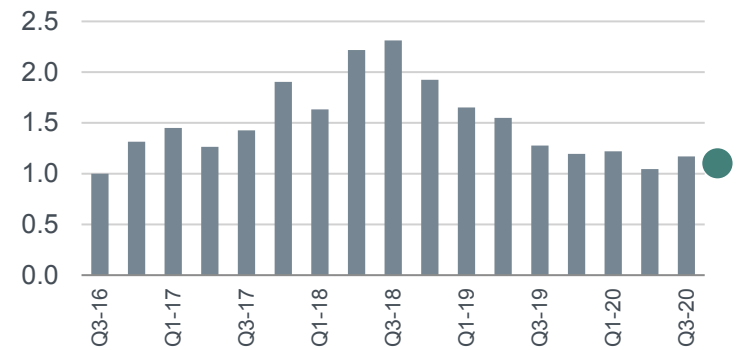
Petroleum coke FOB USG (indexed)



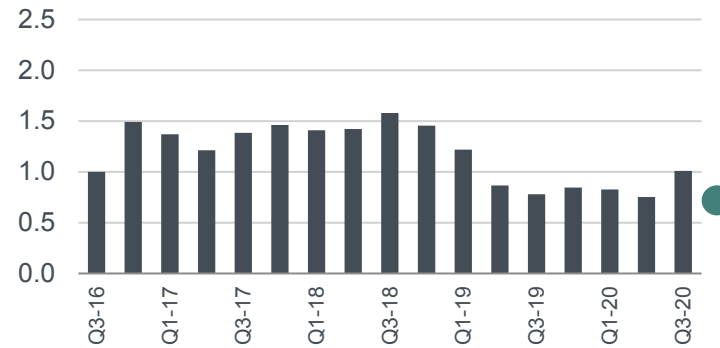
Pitch FOB USG (indexed)



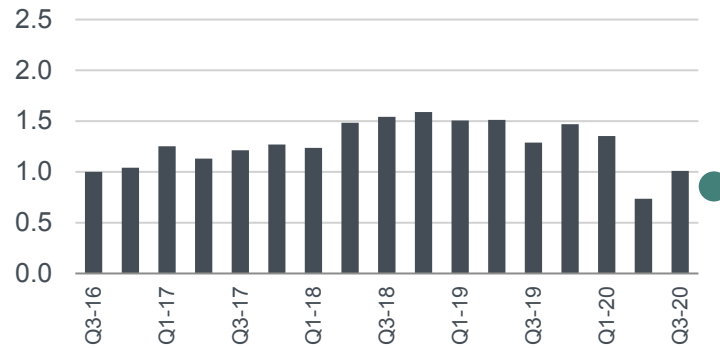
Alumina PAX index (indexed)



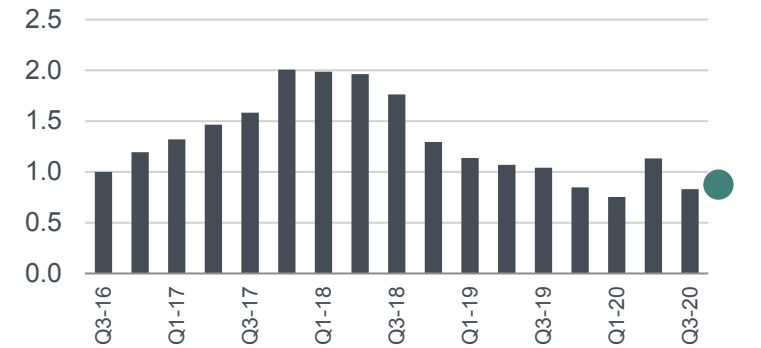
Caustic soda (indexed)



Fuel oil A1 (Indexed)



Steam coal (indexed)



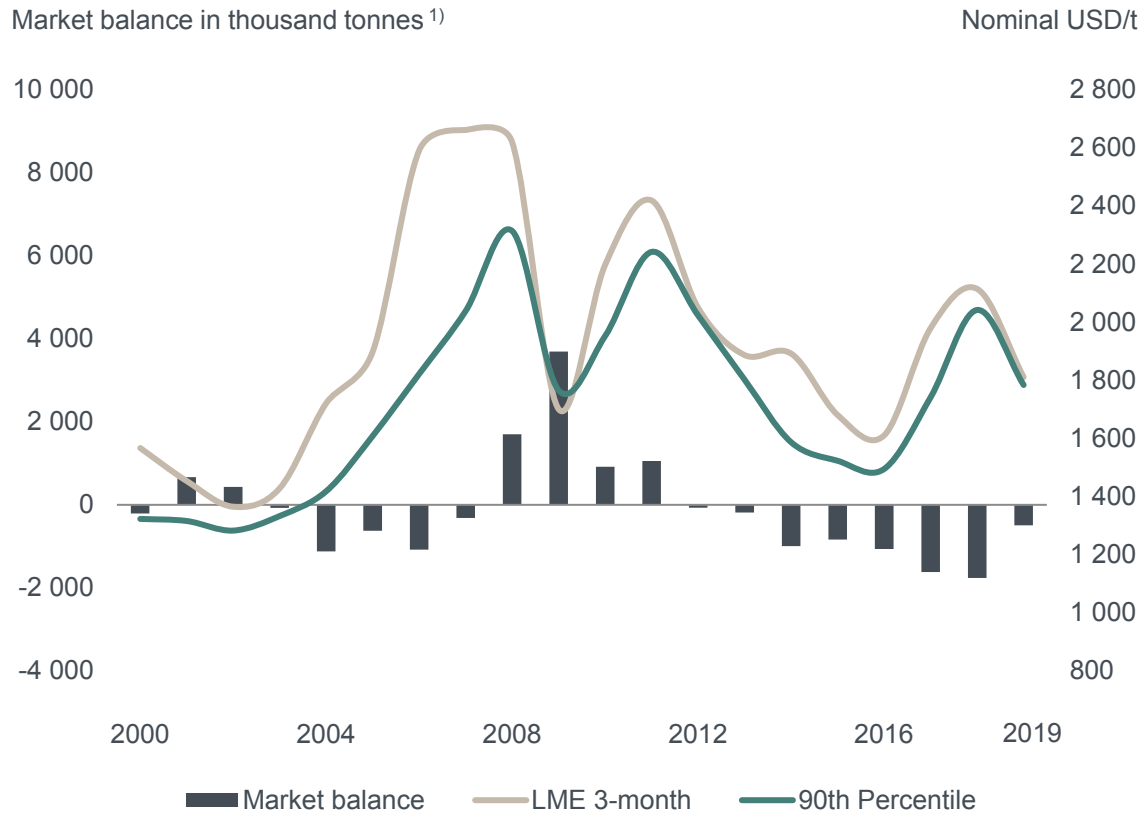
● Indication of current market prices

Historical strong correlation between LME and 90th percentile smelters

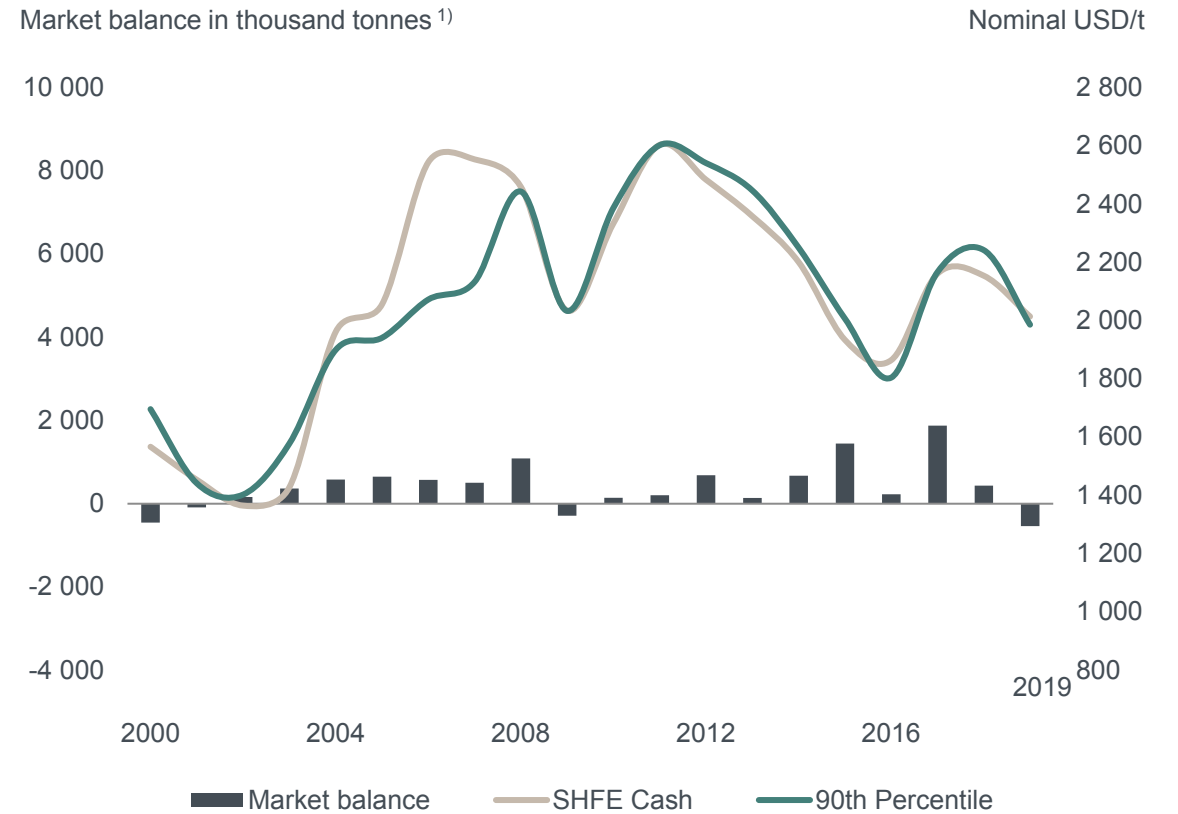


Primary metal market

World ex-China



China



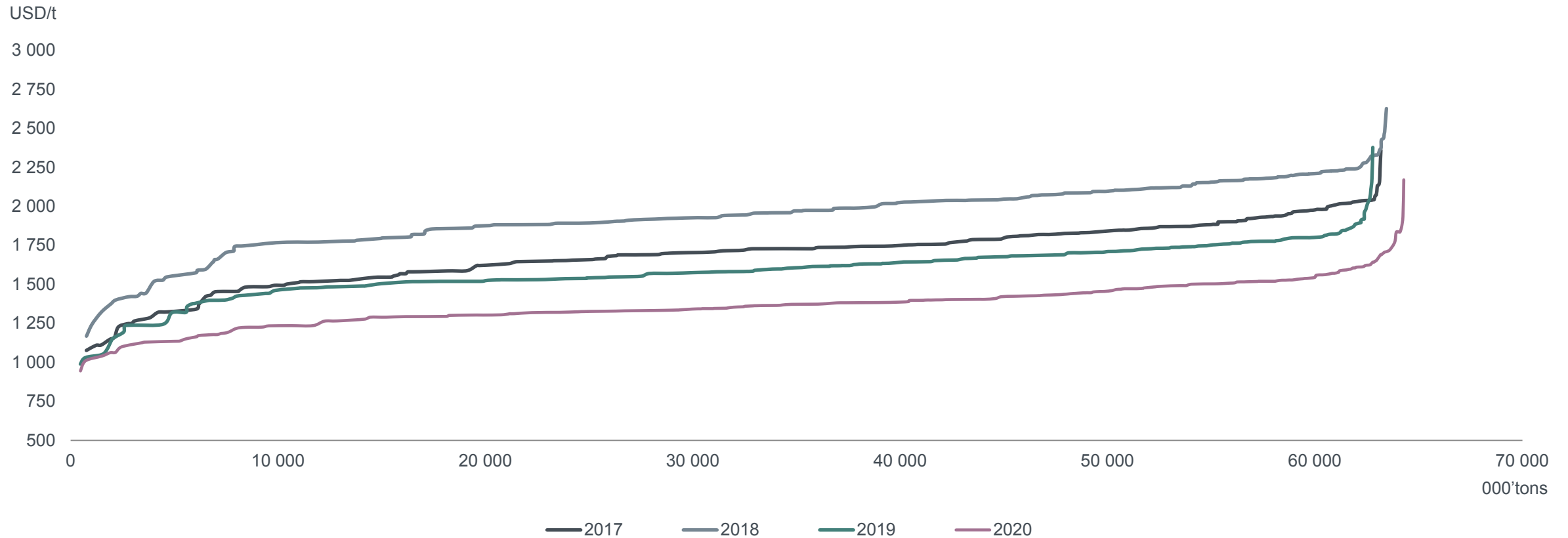
Source: CRU, Hydro Analysis
 1) Primary production less primary demand

Global cost curve lower on declining raw material prices



Primary metal market

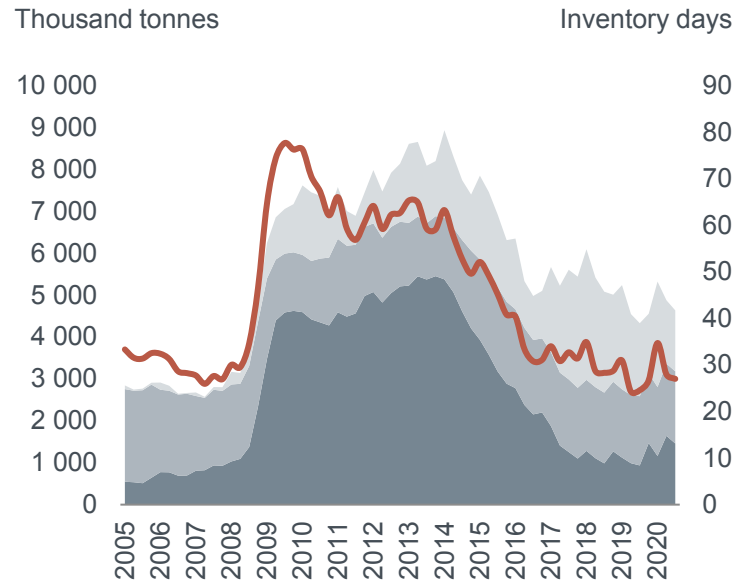
CRU BOC curve by smelter



Total global inventory days shifting upwards

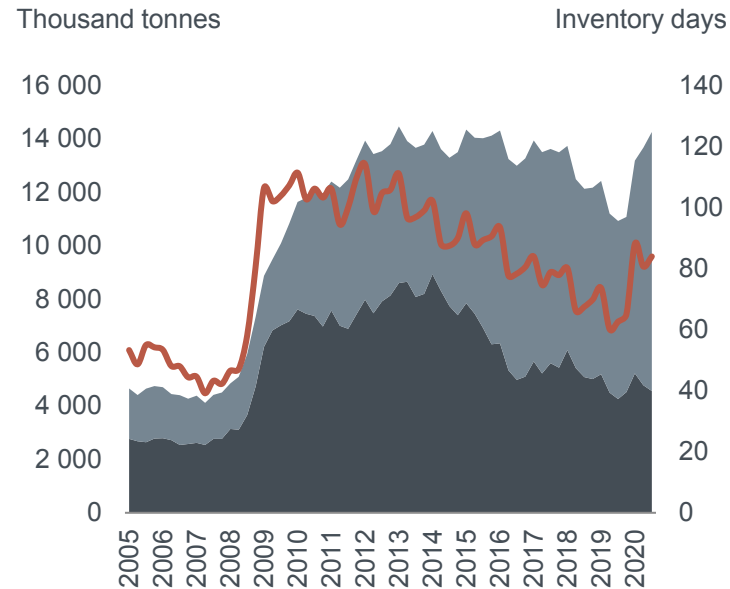
Primary metal market

Global reported stocks and inventory days



- Reported China
- Other reported ROW
- LME stocks
- Global reported inventory days

Total global stocks and inventory days



- Global estimated unreported
- Global reported
- Global total inventory days

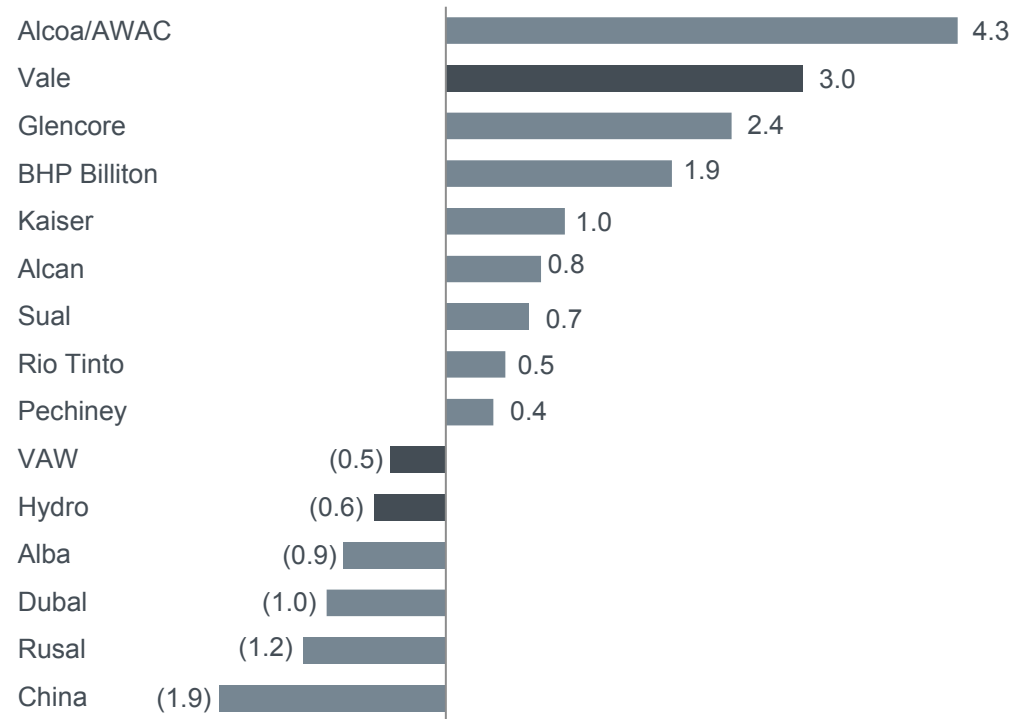
- Reported stocks increasing into 2020
 - Stocks in both World ex China and China up during Q1 on demand shortfall, however Chinese demand leading to decreased inventories in China during Q2
- LME stocks up in first half 2020
- High uncertainty regarding absolute level of unreported volumes

Alumina market consolidating, becoming more integrated

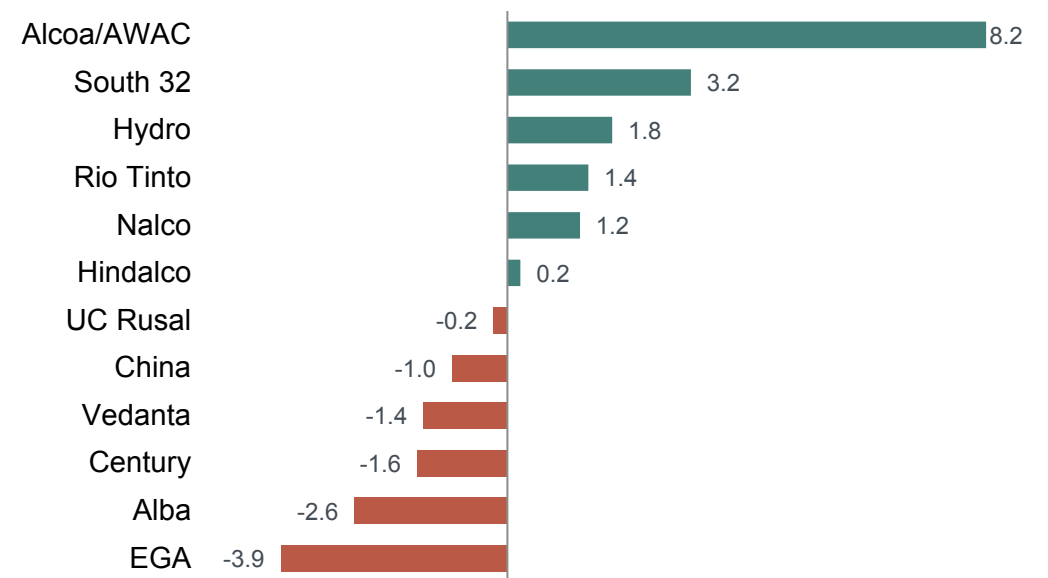


Estimated net equity alumina position, in million tonnes

2000



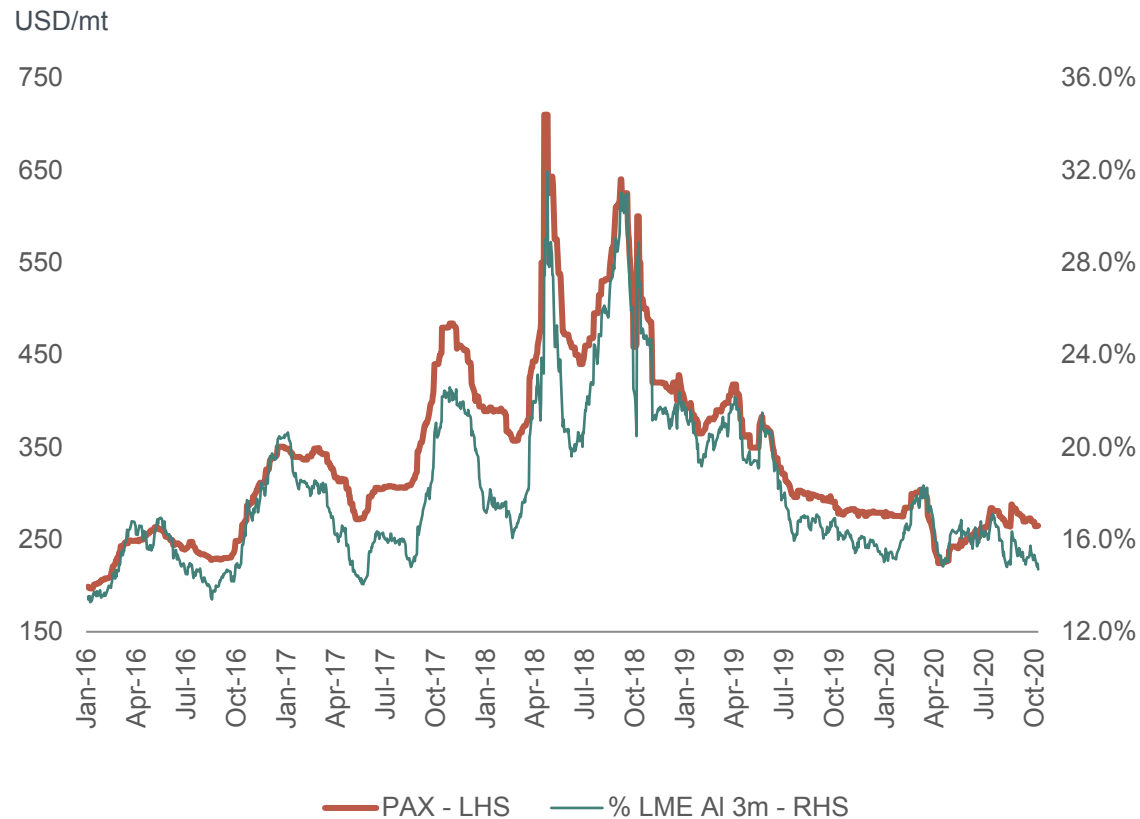
2019



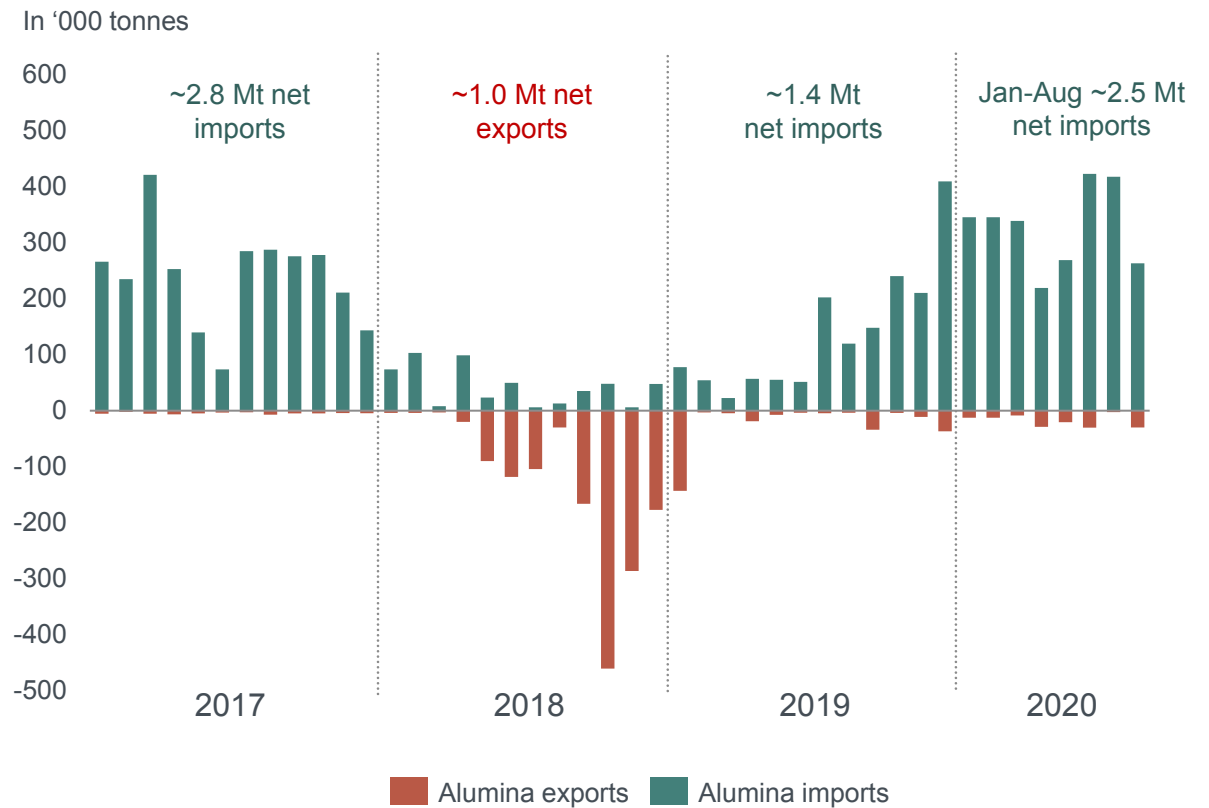
Source: CRU, Hydro
Assuming Alunorte at full production

Alumina prices have recovered from March lows; China alumina imports continue at high levels

Platts alumina index (PAX)



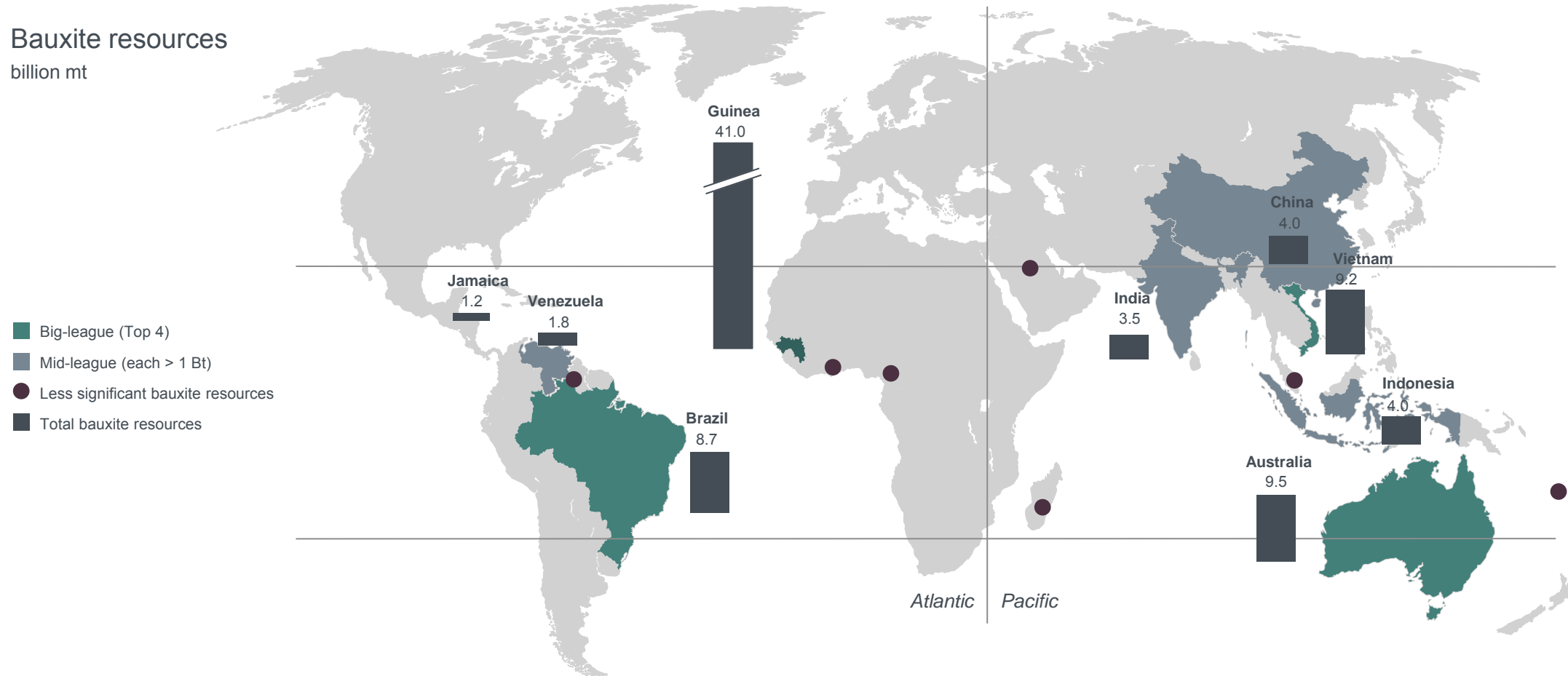
Monthly Chinese alumina trade balance (kt)



Large and concentrated bauxite resources

Guinea stands out as a long-term source

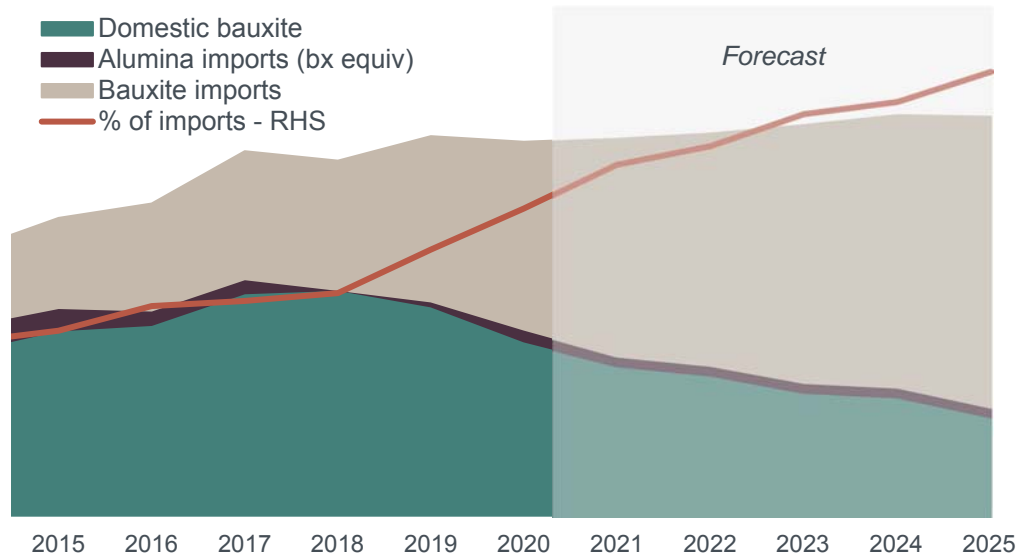
Bauxite resources
billion mt



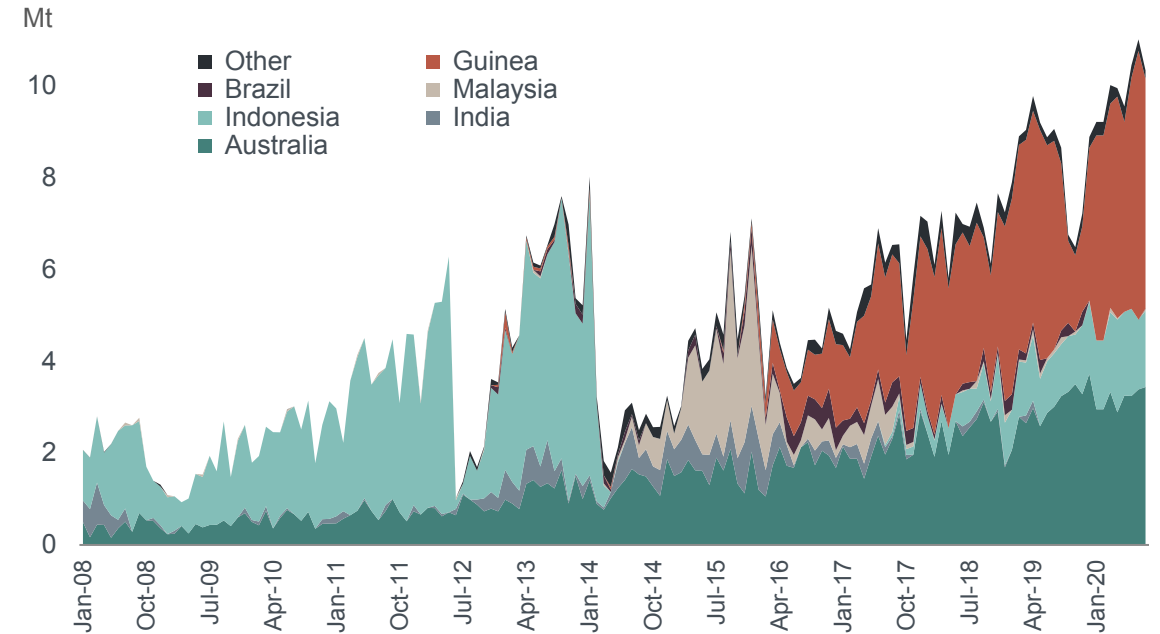
China increasingly reliant on bauxite imports

Guinea bauxite increasingly satisfying Chinese demand

Growing need for bauxite imports amid domestic depletion



Monthly Chinese bauxite imports by origin



- Decreasing Chinese bauxite availability triggering more bauxite imports
 - Domestic bauxite less competitive relative to imported bauxite
 - Chinese quality deteriorating
 - Unlicensed mines closures

- Guinea bauxite production has increased significantly
 - Atlantic-sourced seaborne bauxite continues to grow, adding freight exposure



Business overview

Investor presentation, October 2020



Hydro – Group



Profitability

ROACE > 10%



Sustainability

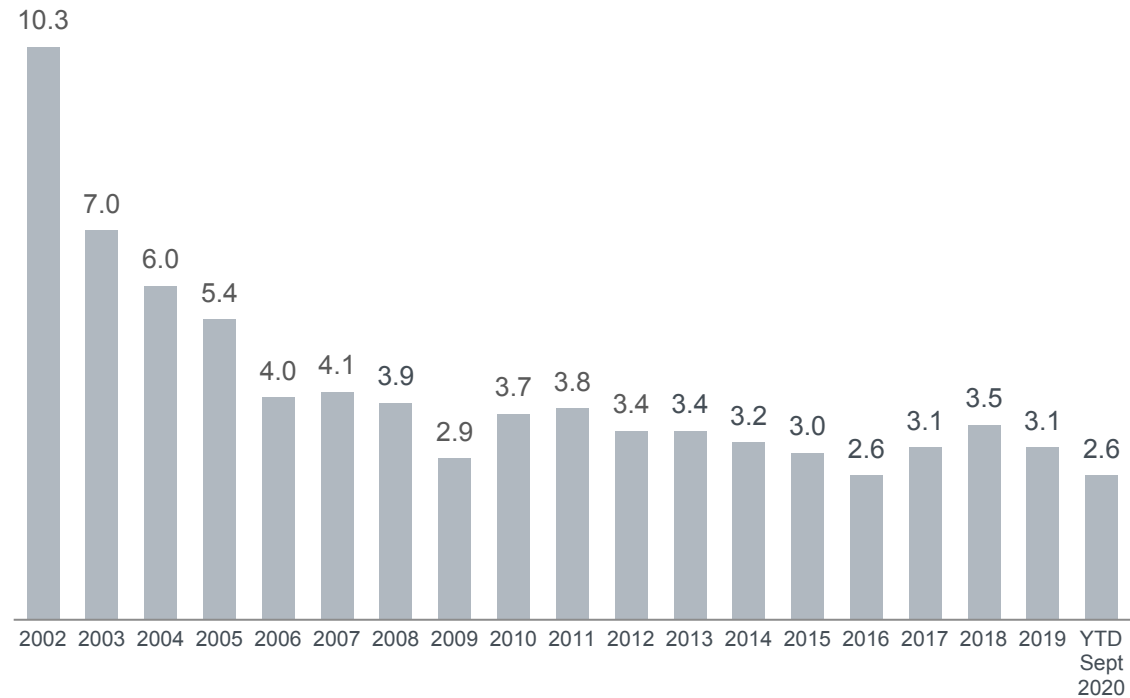
CO₂ - 30%

Safe and responsible operations is a top priority

Leadership in HSE, CSR and compliance as a license to operate



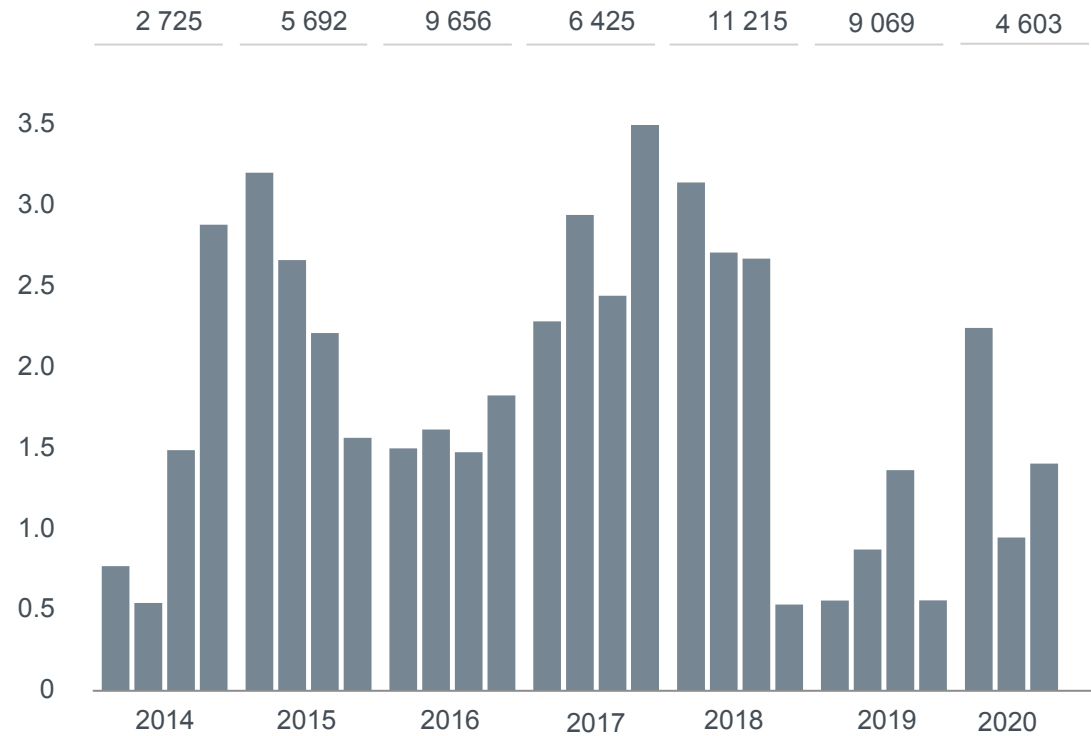
TRI Rate¹⁾



1) Total recordable incidents (TRI) rate defined as cases per 1 million hours worked, for own employees

Hydro: a resource rich global aluminium company

Hydro underlying EBIT quarterly, NOK billion



1) As per Oct 19, 2020



- Based in Norway, involved in activities in more than 40 countries
- Operating revenues
 - 2019: NOK 150 billion
 - 2018: NOK 159 billion
- ~35 000 employees
- Current market capitalization
 - ~NOK 54 billion/ USD 5.8 billion¹⁾

The aluminium value chain

World class assets, high-end products and leading market positions



Strong global presence throughout the aluminium value chain

Built on market understanding, customer closeness and competence

The complete aluminium company

- High-quality bauxite and alumina production in Brazil
- Primary production in Norway, Germany, Qatar, Slovakia, Brazil, Canada, Australia
- 10 TWh captive hydropower production
- European #2 in rolled products
- World leader in aluminium extruded profiles
- Remelting in the US, European recycling network
- Unparalleled technology and R&D organization

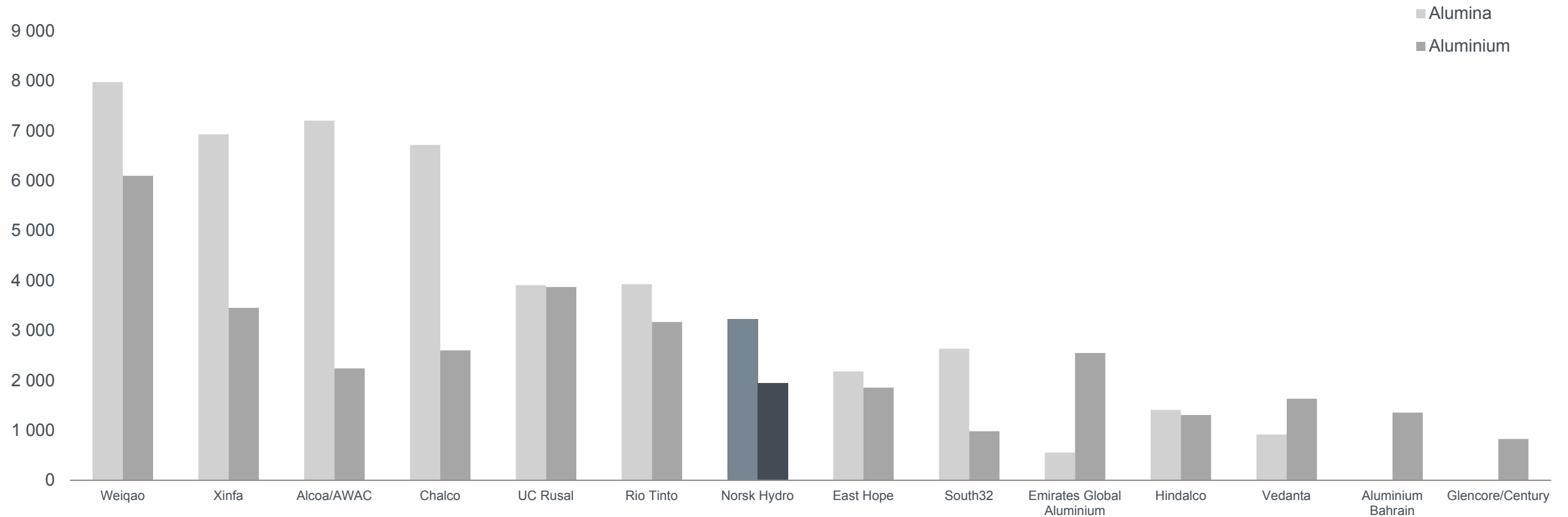


1) Outside China
 2) Extrusion ingot, sheet ingot, primary foundry alloys and wire rod
 3) Primary Foundry Alloys

Hydro - the fourth largest aluminium producer outside China



Equity production in 2019 in aluminium equivalents, thousand mt

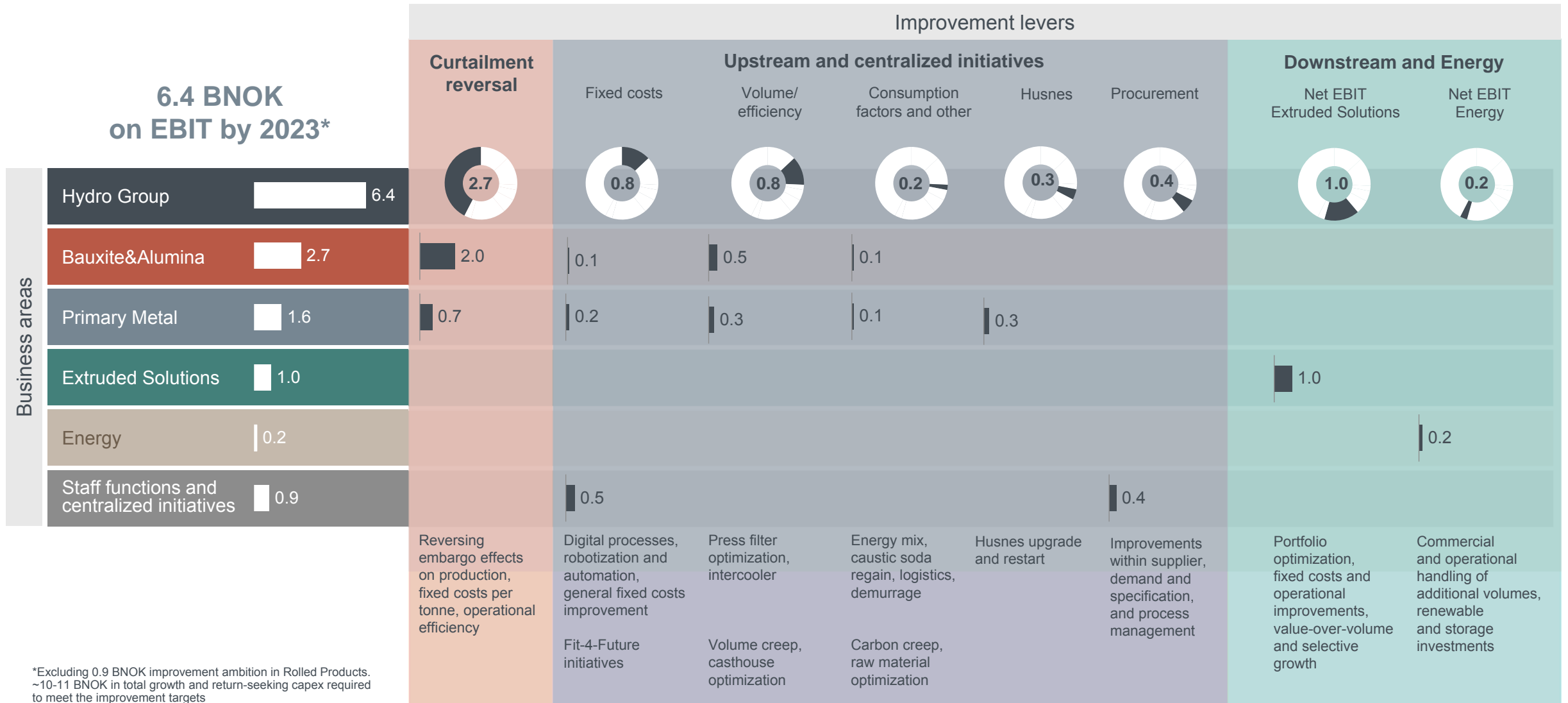


Source: CRU
Hydro with Alunorte at 6.3 million mt

Revitalizing the improvement drive



Targeted improvements to deliver ambitious potential



*Excluding 0.9 BNOK improvement ambition in Rolled Products. ~10-11 BNOK in total growth and return-seeking capex required to meet the improvement targets

Differentiated capital allocation

Different strategic modes for the business areas

Safe, compliant and efficient operations
– The Hydro Way



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

*Creep and recycling with high profitability

Driving sustainability: Hydro has a strong starting point

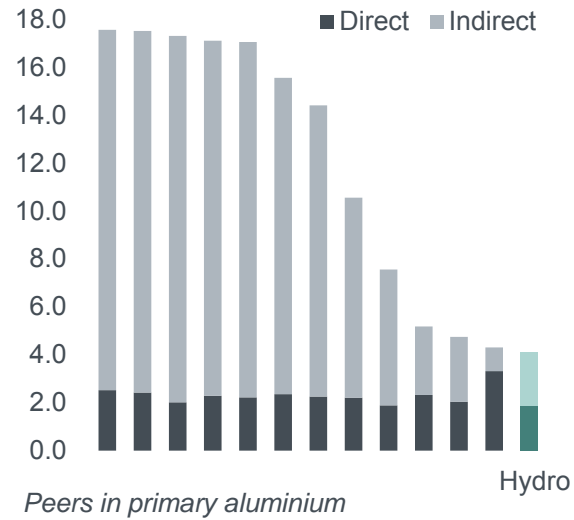


The Hydro Way – a more viable society



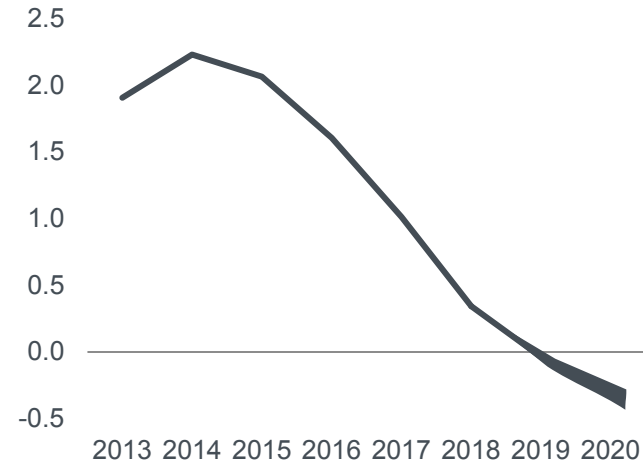
Lowest CO₂ emissions

Emissions from electrolysis,
in tonne CO₂/t Al, 2019



Net carbon-neutral from a life-cycle perspective by 2020

Net emissions (life-cycle)
Million mt



Sustainability: basis for our future positioning

Social responsibility



Environment



Climate



Sustainability in the marketplace: greener products portfolio

Tackling the industry's key environmental challenges across the value chain

- Restoring **biodiversity** at our bauxite mine
- Exploring more sustainable **tailings** management practices
- Turning **bauxite residue** into a resource
- Recovering our historical **bauxite residue** storage areas
- Improving the **recycling** of our key waste streams
- Strengthening our resilience to **water** related risks
- Reducing our key **emissions** to air



Targets and ambitions

1 to 1 rehabilitation of available areas

Utilise 10% of bauxite residue generated (from 2030)

50% reduction in key non-GHG air emissions by 2030 ¹⁾

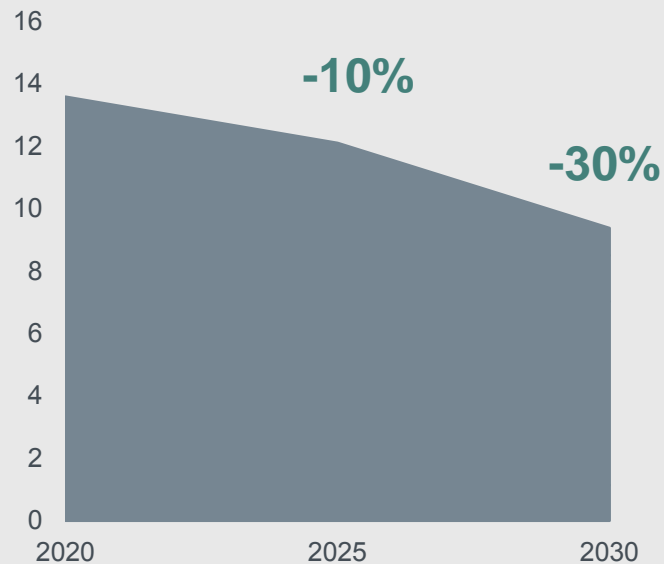
1) SO_x, NO_x and PM (2017 baseline)

New climate strategy: Cut CO₂ emissions by 30% by 2030

Innovation and technology development key enablers toward CO₂-free processes

Ambition to reduce own emissions by 10% in 2025, 30% by 2030

Total own emissions in million mt CO₂E



**Greener energy mix at Alunorte:
Key enabler for new climate
and environment ambitions**



**R&D for low or zero-carbon
technology towards 2050**

Exploring different paths

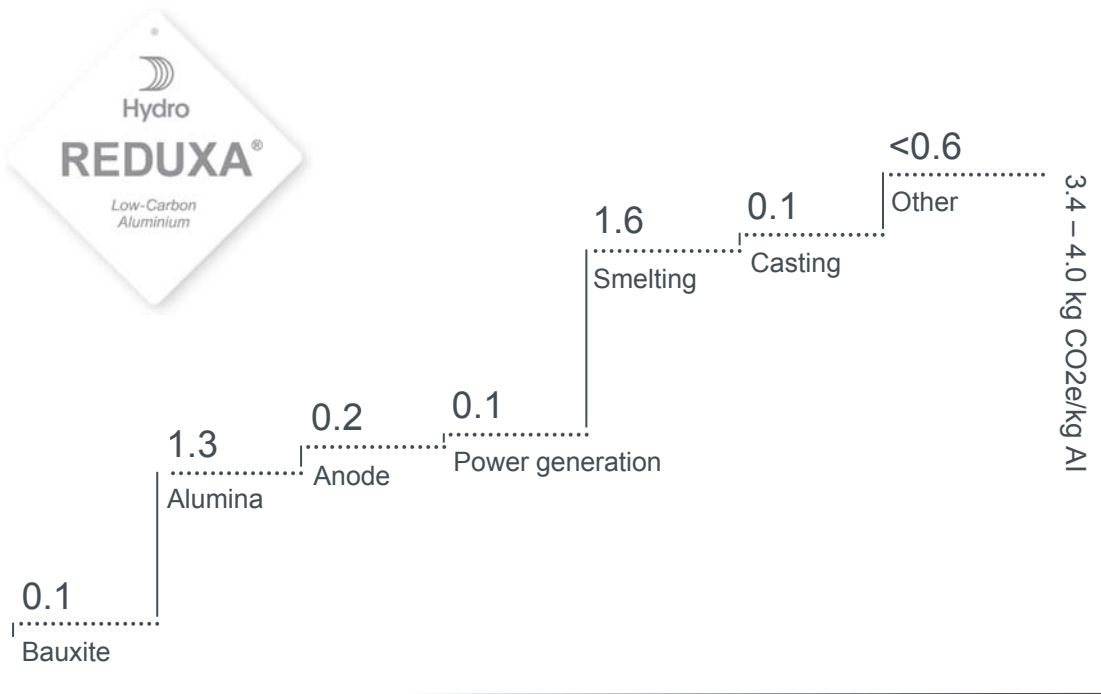
- Carbon Capture
- Biomass anodes
- Carbon-free process

Greener products: From REDUXA 4.0 to 2.0



New energy mix in Alunorte important enabler to reach 2.0

From REDUXA 4.0



Typical production values

Towards REDUXA 2.0 by 2030



Potential production values

Sustainability translated into profitability



Alunorte fuel switch project



Karmøy technology pilot



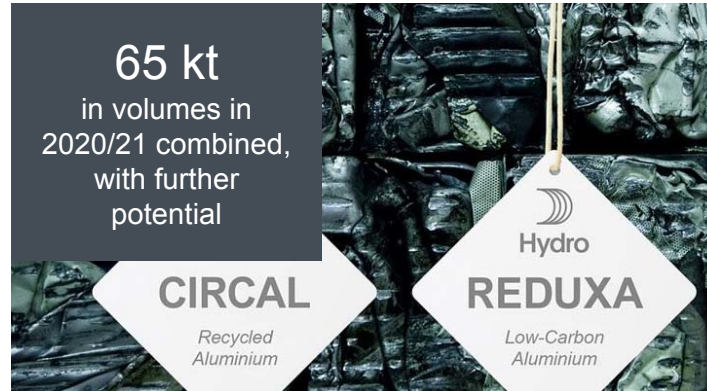
Recycling in Metal Markets



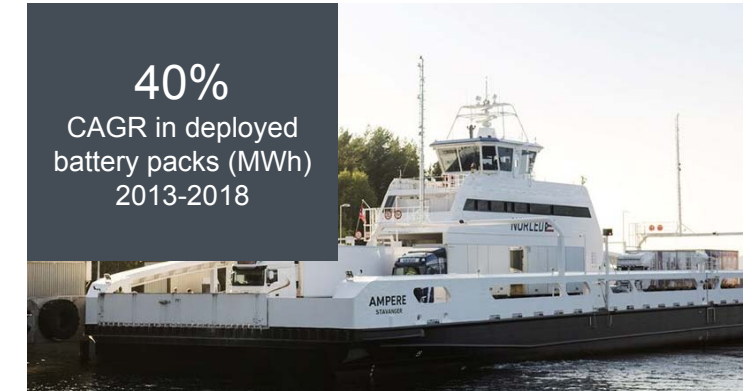
Automotive growth



Greener brands



Battery solutions - Corvus



1) Based on EBITDA/t margins in the Rolled Products portfolio

Strategic objectives

Driving long-term shareholder value



- More stable earnings profile
- Less exposed to China
- More downstream customer base
- 10% return target over the cycle



- Sustainable value chain with lower footprint will reduce risk
- Differentiate through sustainable products, developing greener products for the future
- 30% reduction in CO₂ emissions

Strategic priorities • Portfolio management • Capital allocation



Bauxite & Alumina

Bauxite and alumina cluster in Para, Brazil

MRN bauxite mine



- Top 3 bauxite mine in the world
- 5% ownership
- Volume off-take agreement for Vale's 40% stake
- 2019 production 12.2 mill tonnes

Paragominas bauxite mine



- 100% ownership
- Nameplate capacity of 9.9 million tonnes
- 2017 production 11.4 million tonnes
- 2018 production 6.2 million tonnes*
- 2019 production: 7.4 million tonnes*
- Long-life resource

Alunorte alumina refinery



- 92% ownership
- World's largest alumina refinery outside China
- Nameplate capacity of 6.3 million tonnes
- 2017 production 6.4 million tonnes
- 2018 production 3.7 million tonnes*
- 2019 production 4.5 million tonnes*
- Bauxite supplied from Paragominas and MRN
- World-class conversion cost position
- Utilizing state-of-the-art press filter technology to process bauxite residue
- Enhancing plant robustness to prepare for extreme weather events

Bauxite licenses

Refining and mining competencies

External supply contracts

Sales contract portfolio

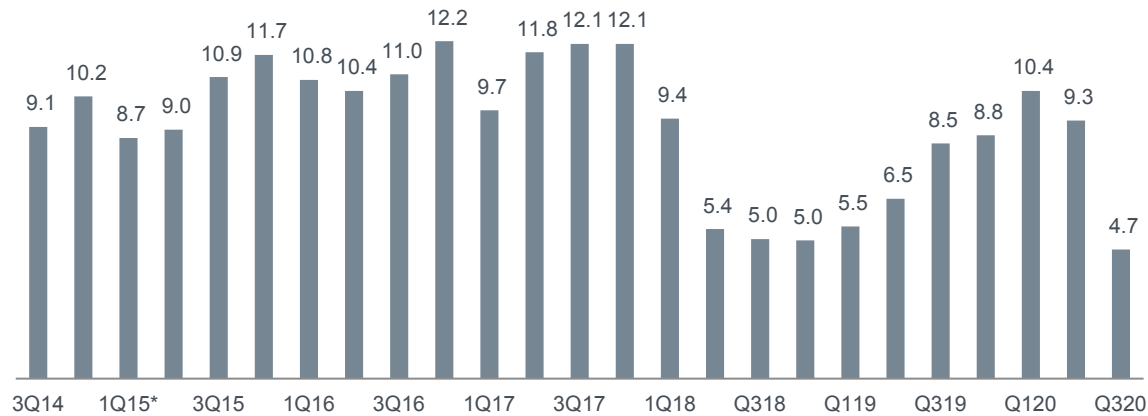
* Alunorte and Paragominas produced at 50% capacity from March 2018 to May 2019 due to a 50% production embargo on the Alunorte refinery. The production embargo was lifted in May 2019.

Ramping-up production following lifting of the embargoes



Bauxite production in Paragominas

Annualized million tonnes

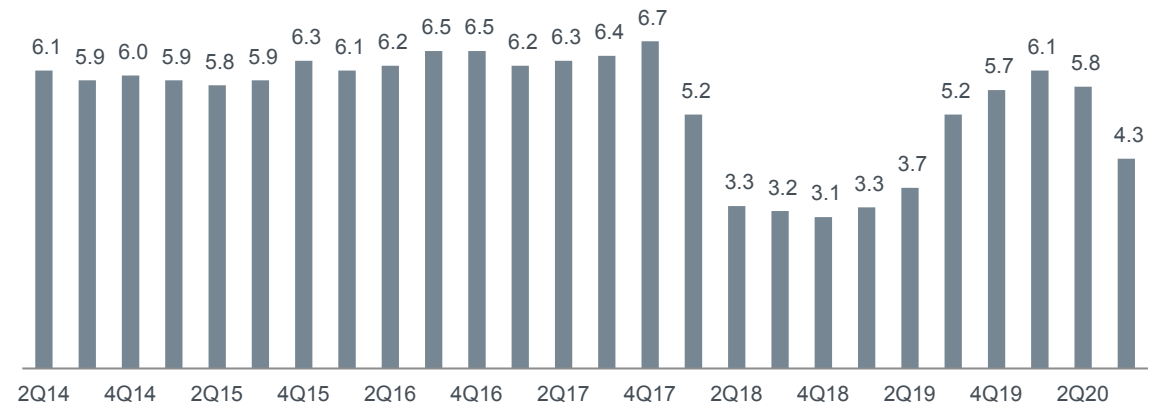


Paragominas bauxite mine

- Production affected by Alunorte embargo from March 2018 – May 2019, currently ramping-up
- Production affected by extended pipeline maintenance from August to October 2020

Alumina production at Alunorte

Annualized million tonnes



Alunorte alumina refinery

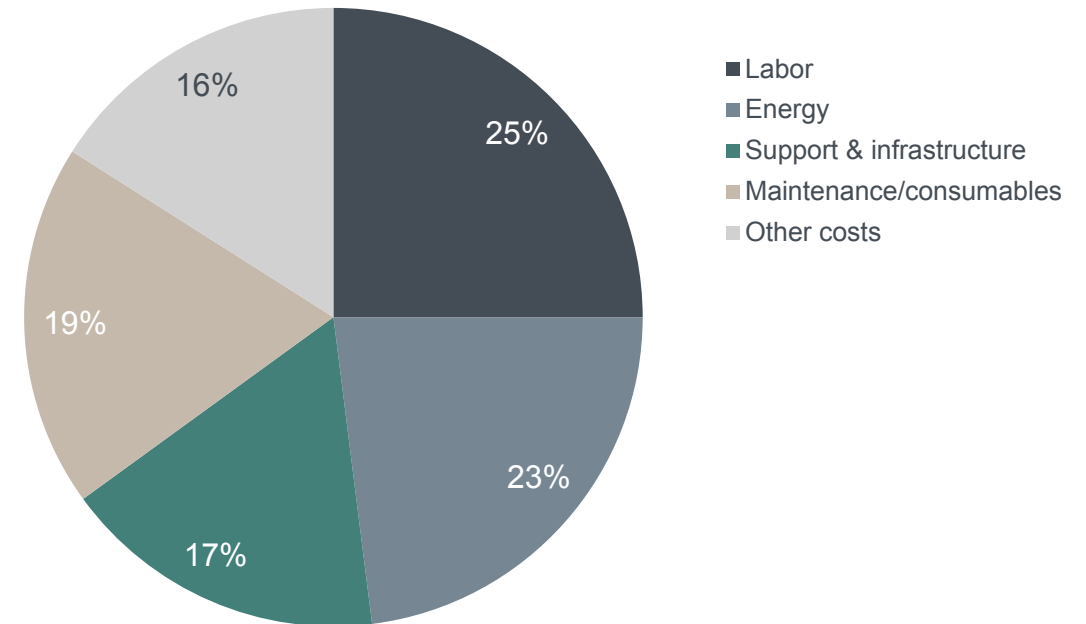
- Production affected by 50% Alunorte embargo from March 2018 – May 2019, currently ramping-up
- Production affected by extended pipeline maintenance from August to October 2020

* Extended maintenance period in March / April 2015 resulted in lower bauxite production

Bauxite operational mining costs in Paragominas

- Energy cost - Power and fuel
- Large fixed cost base
- Labor cost
 - Influenced by Brazilian wage level
 - Productivity improvements
- Maintenance and consumables
 - Mainly influenced by Brazilian inflation

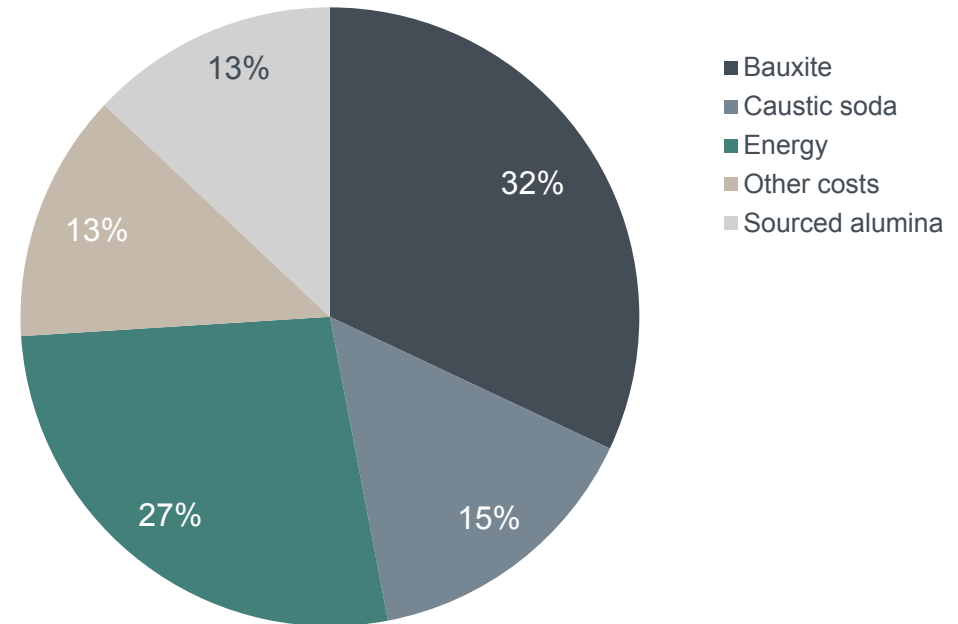
Indicative Paragominas bauxite mining costs



Favorable integrated alumina cost position

- Implied alumina cost 2019 - USD 275 per mt¹⁾
 - Alunorte, Paragominas and external alumina sourcing for resale
 - Affected by 50% production curtailment and additional external sourcing
- Bauxite
 - Internal bauxite from Paragominas at cost, sourced bauxite from MRN
 - External bauxite sales
- Energy
 - First-quartile energy consumption – 8 GJ/mt
 - Energy mix of heavy fuel oil, coal and electric power
- Caustic soda
 - Competitive caustic soda consumption due to bauxite quality
 - Competitive caustic soda sourcing contracts
- Other costs
 - Maintenance, labor and services

Indicative implied alumina cost composition



1) Realized alumina price minus Underlying EBITDA for B&A, per mt alumina sales

Strong commercial organization maximizing the value of B&A assets



External alumina sourcing

- 2.0-2.5 million mt of external alumina sourced annually
- Long term off-take agreement with Rio Tinto
 - ~900 000 mt annually from Yarwun refinery
- Short- and medium term contracts
 - To balance and optimize position geographically
 - Various pricing mechanisms
 - Older contracts linked to LME
 - New medium to long term contracts mostly index
 - Fixed USD per mt for spot contracts on index

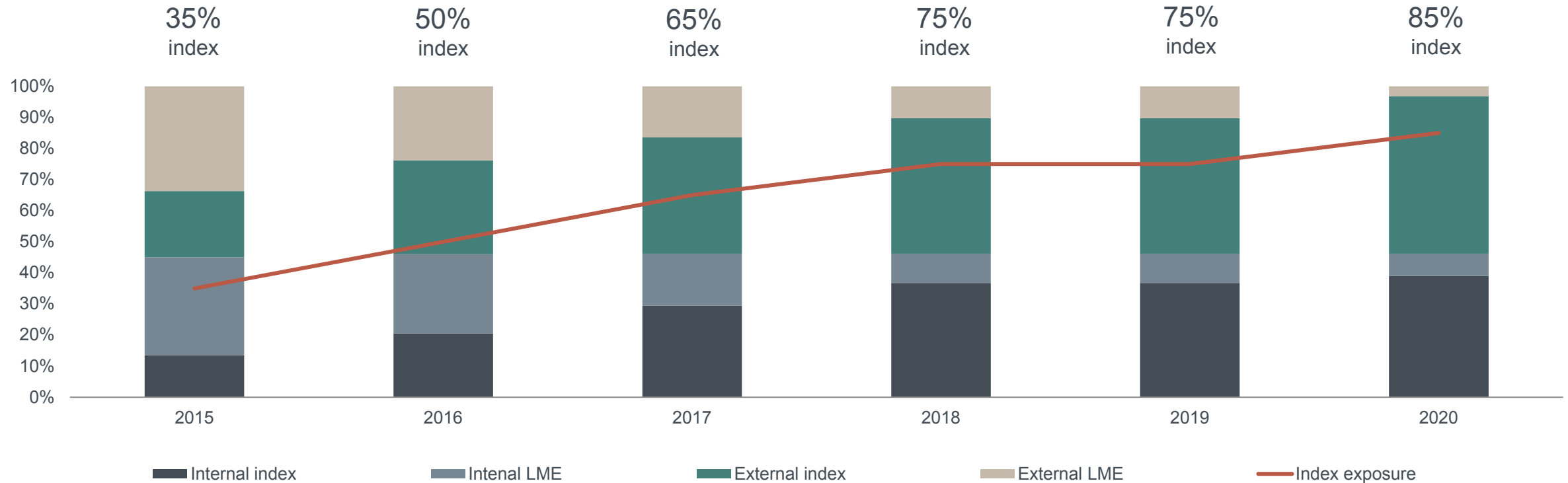
Long positions in bauxite and alumina

- Pricing should reflect bauxite and alumina market fundamentals
- Selling surplus MRN bauxite externally
 - Premium for high bauxite product quality
 - Majority sold to customers in the Atlantic basin
 - Mostly term contracts based on % of PAX and/or fixed USD/mt element
- Selling 3.0-4.0 million mt/yr of alumina externally
 - Index pricing and short to medium-term contracts
 - New contracts: 100% sold on index, except Hydrate and short-term contracts, normal terms 2-7 years
 - Legacy LME-linked contracts: priced at ~14% of LME 3M

Shift of alumina sales to index-based pricing continues at full speed

Index pricing the new norm for the industry

Sales exposure to index and short term pricing¹⁾

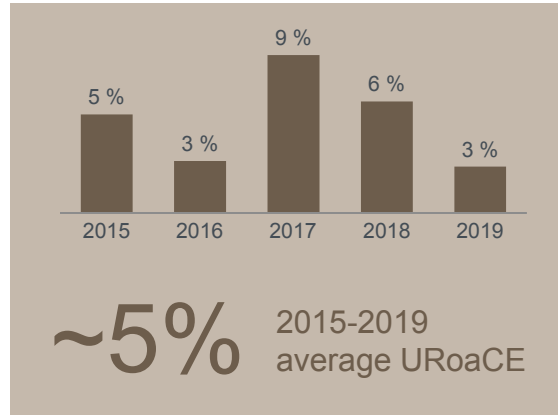
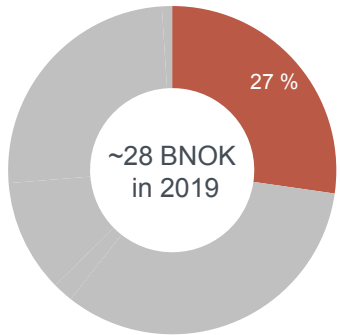


1) Rounded figures. Indicating volumes available for index pricing. Includes minority sales priced at % of LME with floor. Based on annual sourced volumes of around 2.5 mill t, assuming normal production at Alunorte.

Capital return dashboard for Bauxite & Alumina

Returns below the cost of capital reflecting challenging markets, embargo and operational issues during the early years

Capital employed in B&A



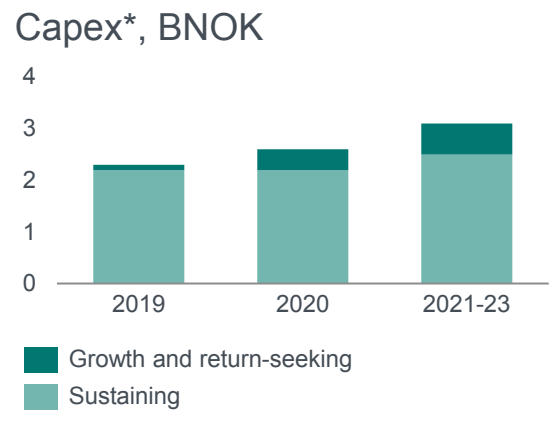
URoaCE > CoC

10-11%
Nominal long-term
cost of capital

2.7 BNOK
on EBIT by 2023 in
improvement potential

Key initiatives to reduce NOC

- Reduction in commercial stocks
- Reduction in caustic soda price and alumina inventories
- Reduction in Paragominas inventories



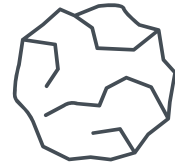


Energy

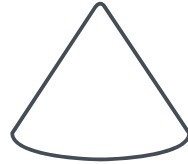
Energy is a key differentiator in the aluminium industry



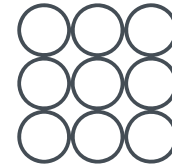
Center of energy excellence in Hydro



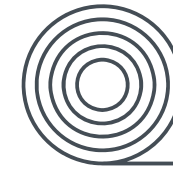
Bauxite



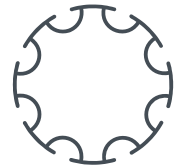
Alumina



Primary



Rolling



Extrusion

Energy cost ¹⁾

~25%

~35%

~35%

~10%

~8%

~50%

Energy business area's contribution to Hydro

- Power sourcing

- Power sourcing
- Fuel switch project (LNG)
- Energy mix long term, renewables, storage

- Power sourcing and production
- Gas sourcing

- Power sourcing
- Gas sourcing

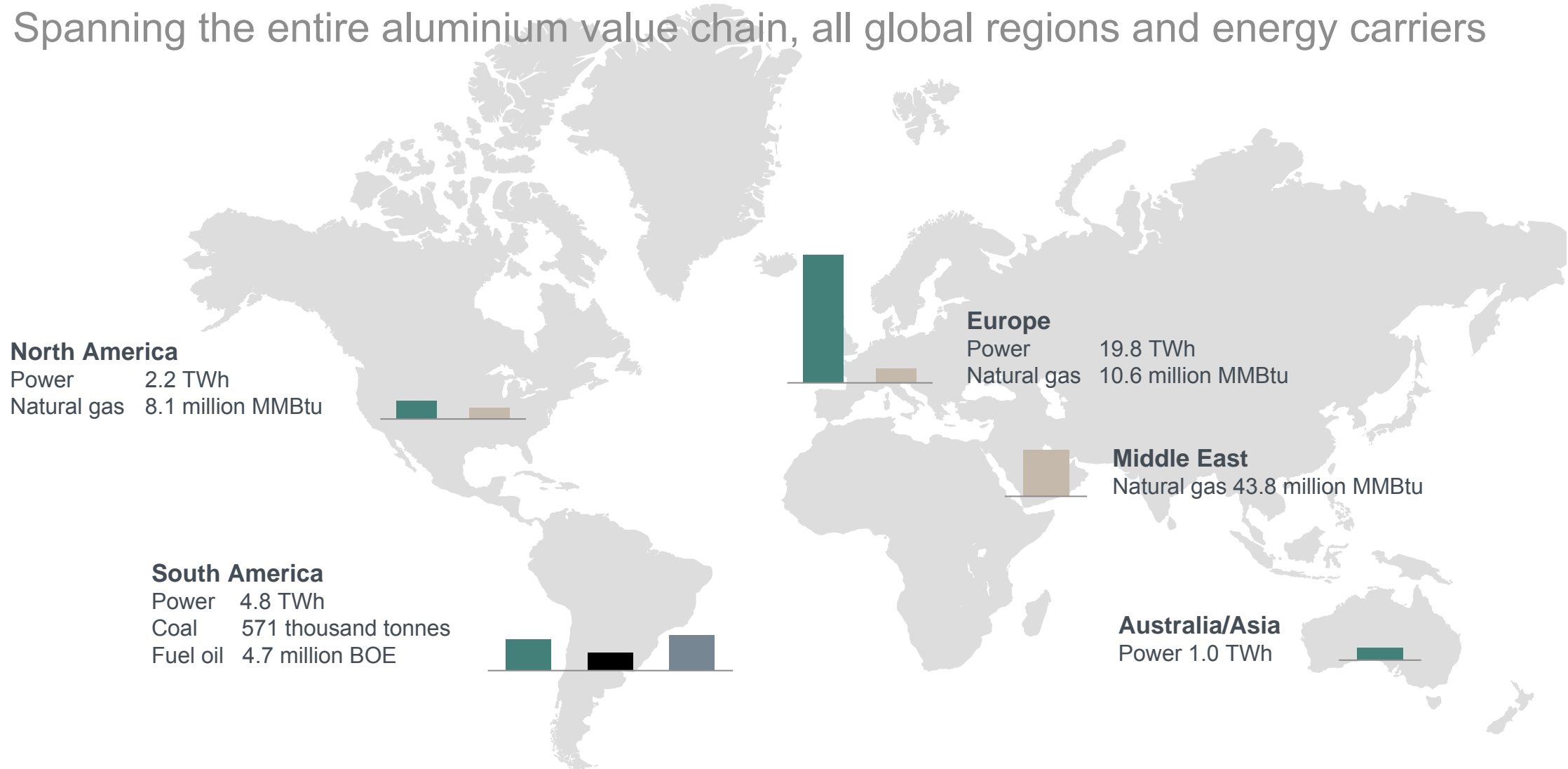
- Power sourcing
- Gas sourcing

Market understanding. Framework advocacy. «Greener» support & energy efficiency support. Security of supply

1) Share of Business Operating Cash Cost

Hydro's global primary energy demand

Spanning the entire aluminium value chain, all global regions and energy carriers



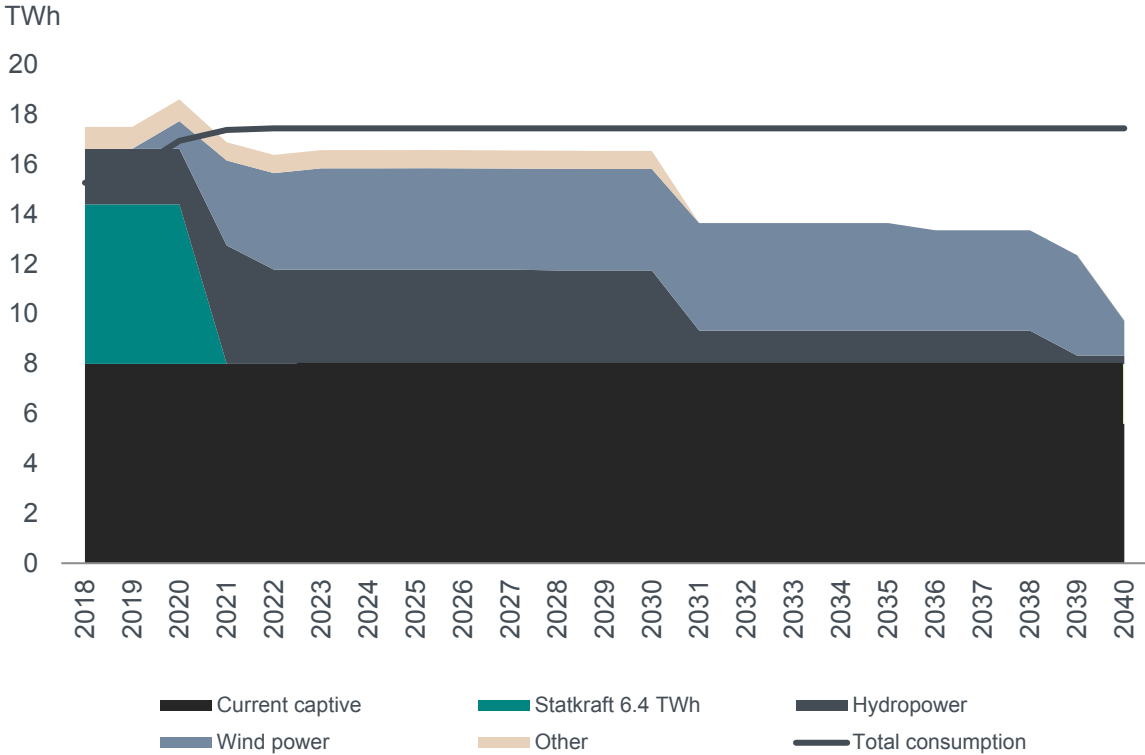
Values are listed in its conventional trading unit. MMBtu= Million British thermal units, ton=metric ton thermal coal, BOE= Barrel of Oil Equivalent.
Bar charts are represented in the equivalent primary energy size for each category. Primary energy follows IEA's definition.
Based on equity-adjusted 2018 values for Norsk Hydro's bauxite mines, alumina refineries, smelters, remelters, rolling mills and 2018 estimate for extrusion plants.

Securing long-term competitive power sourcing for smelters

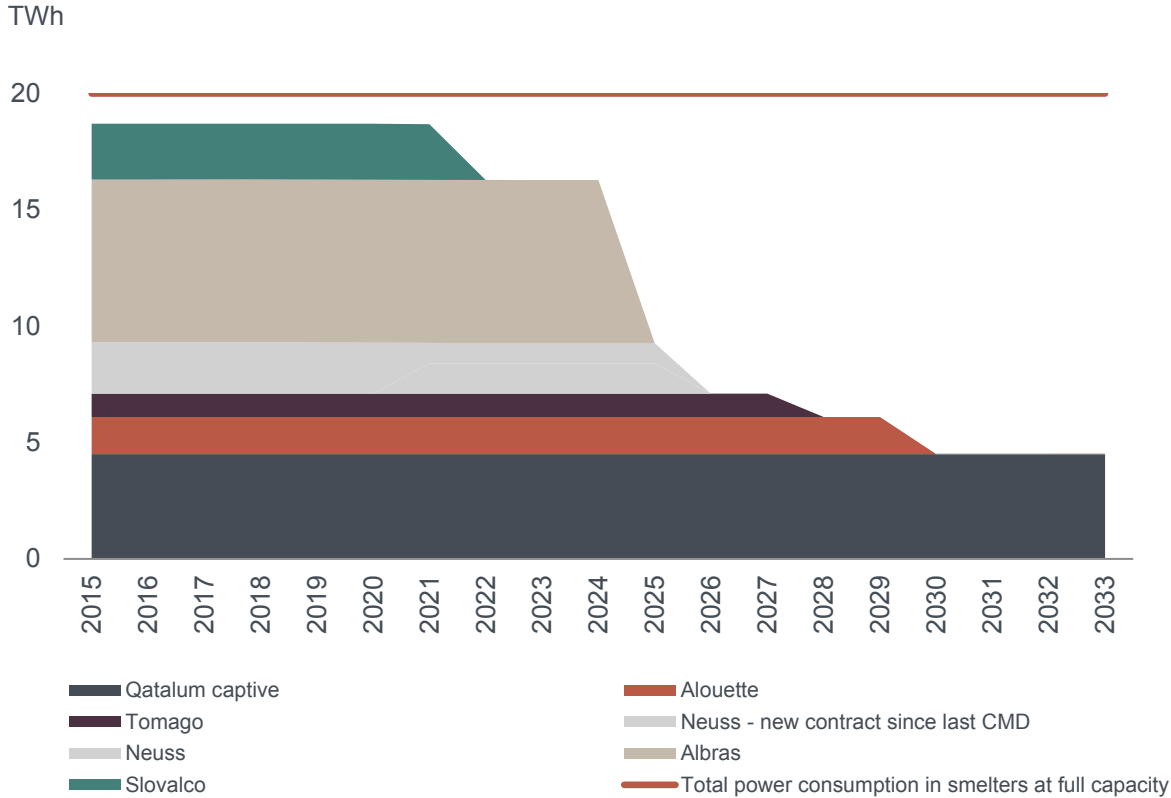


Unique combination of hydro- and windpower

Sourcing platform for fully-owned smelters, Norway¹⁾



Sourcing platform for JVs and Neuss smelter²⁾



1) Net ~8 TWh captive assumed available for smelters
 2) Albras and Slovalco on 100% basis

Overview of Hydro's hydropower portfolio

Lower captive volume and higher operator volume post transaction

Before the transaction

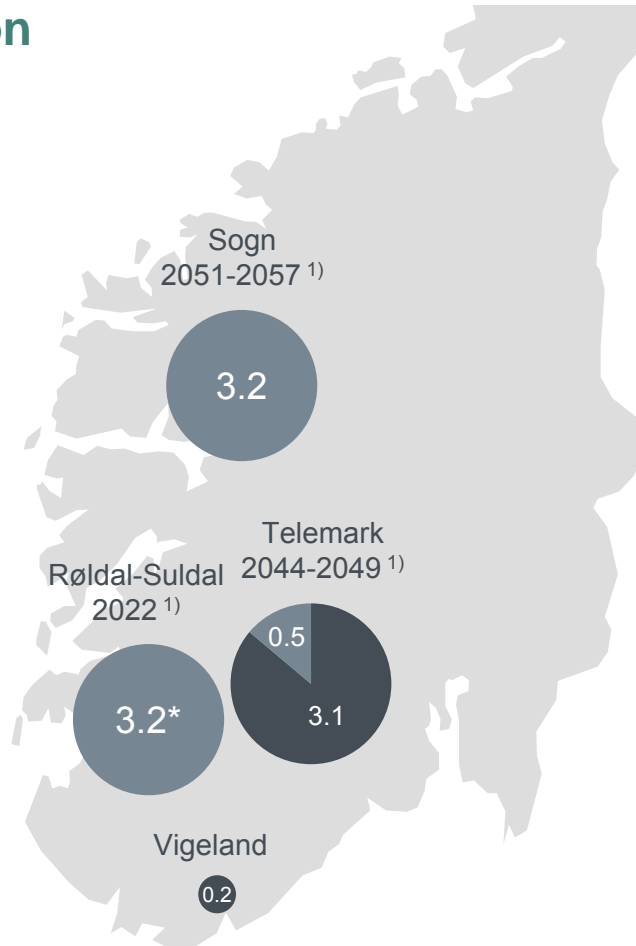
Normal annual production,
Equity share

10.2 TWh

Operator hydropower

10.5 TWh

- No reversion
- Subject to reversion
- Bubble size = production in TWh



After the transaction

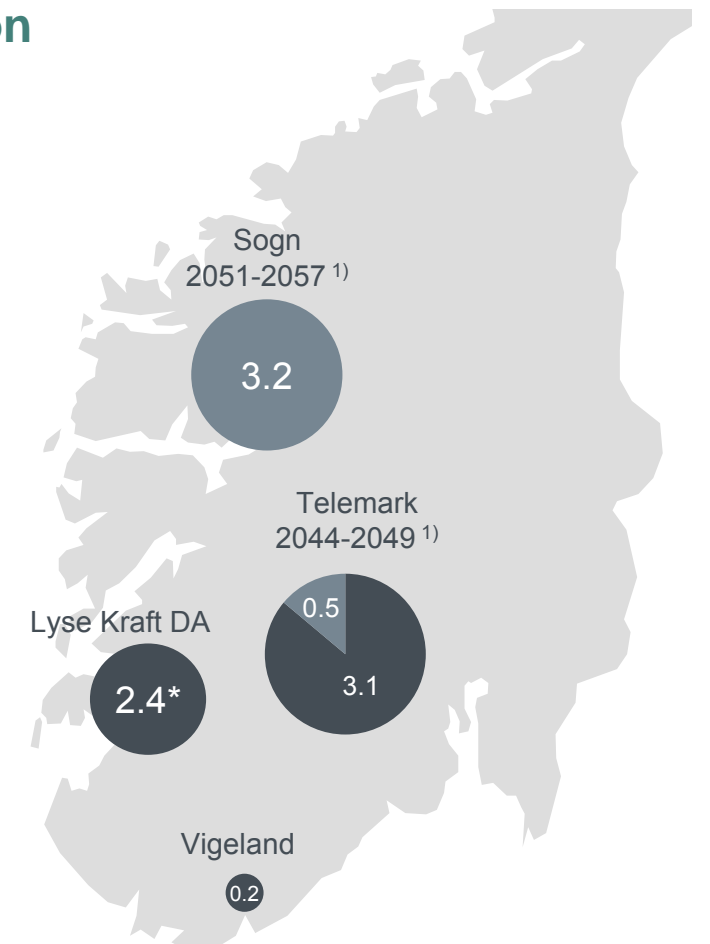
Normal annual production,
Equity share

9.4 TWh

Operator hydropower

12.9 TWh

- No reversion
- Subject to reversion
- Bubble size = production in TWh



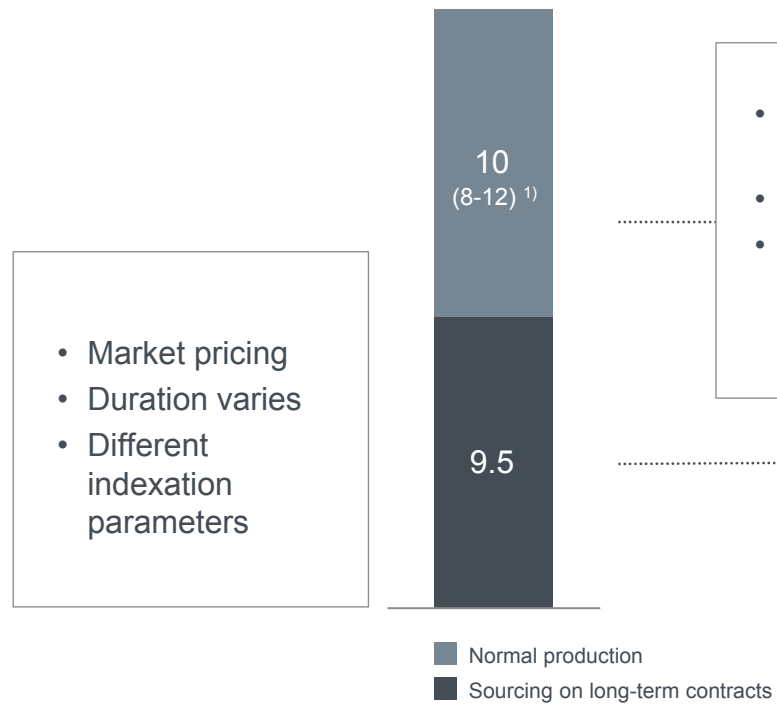
¹⁾ Reversion year

* Production figures for RSK and Lyse Kraft DA are based on a historical average reference as assumed in the transaction. Figures for Sogn and Telemark reflect estimated middle production

Market pricing principle applied to internal contracts

Based on external price references

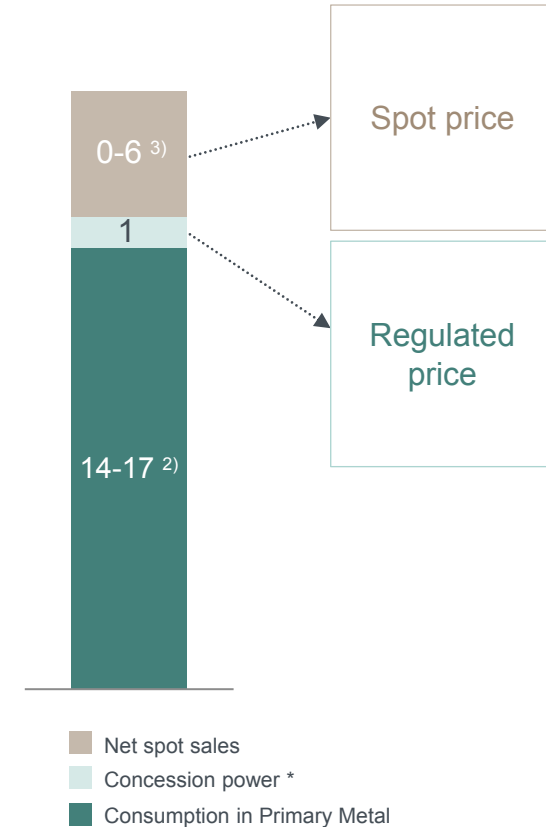
Sourcing side
TWh



Revenue side
TWh

- Long-term contract
- Market pricing
- Fixed annual pricing adjustments

Back-to-back



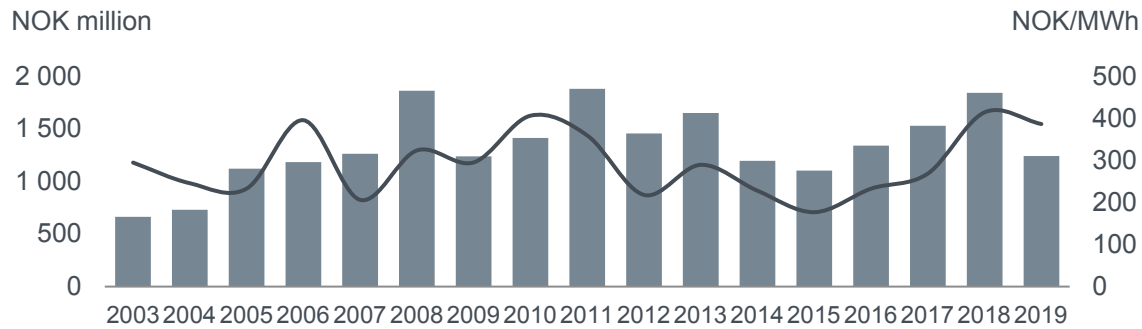
Norway up to 2020

1) Depending on the precipitation level, hydropower production may vary from 8 TWh in a dry year to 12 TWh in a wet year
 2) Consumption in PM at current production levels and at full installed capacity (incl. Karmøy pilot plant)
 3) Net spot sales vary depending on the power production level and internal consumption in PM
 * Includes legacy external contracts

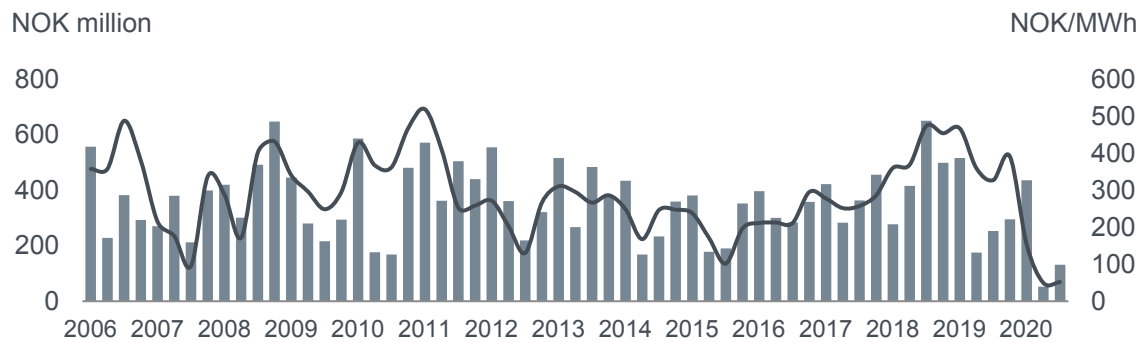
Energy earnings drivers



Underlying EBIT¹⁾ and spot price



Underlying EBIT and spot price



■ Underlying EBIT — Spot price

- Production and market prices strongly linked to hydrological conditions
- Fairly stable annual EBIT contribution
- Seasonal market variations in demand and supply
- Occasional delink between area prices
- Power portfolio optimized versus market
- Stable and competitive cost base:
 - Mainly fixed costs
 - Volume-related transmission costs
- Expiry of legacy supply contract entered in 2008 will have positive effect of ~NOK 600 million²⁾ from 2021
- New 8 TWh internal contract for power sales to Primary Metal in Norway effective from 2021-30

1) Underlying EBIT 2003–2006 based on USGAAP 2) Compared to 2020

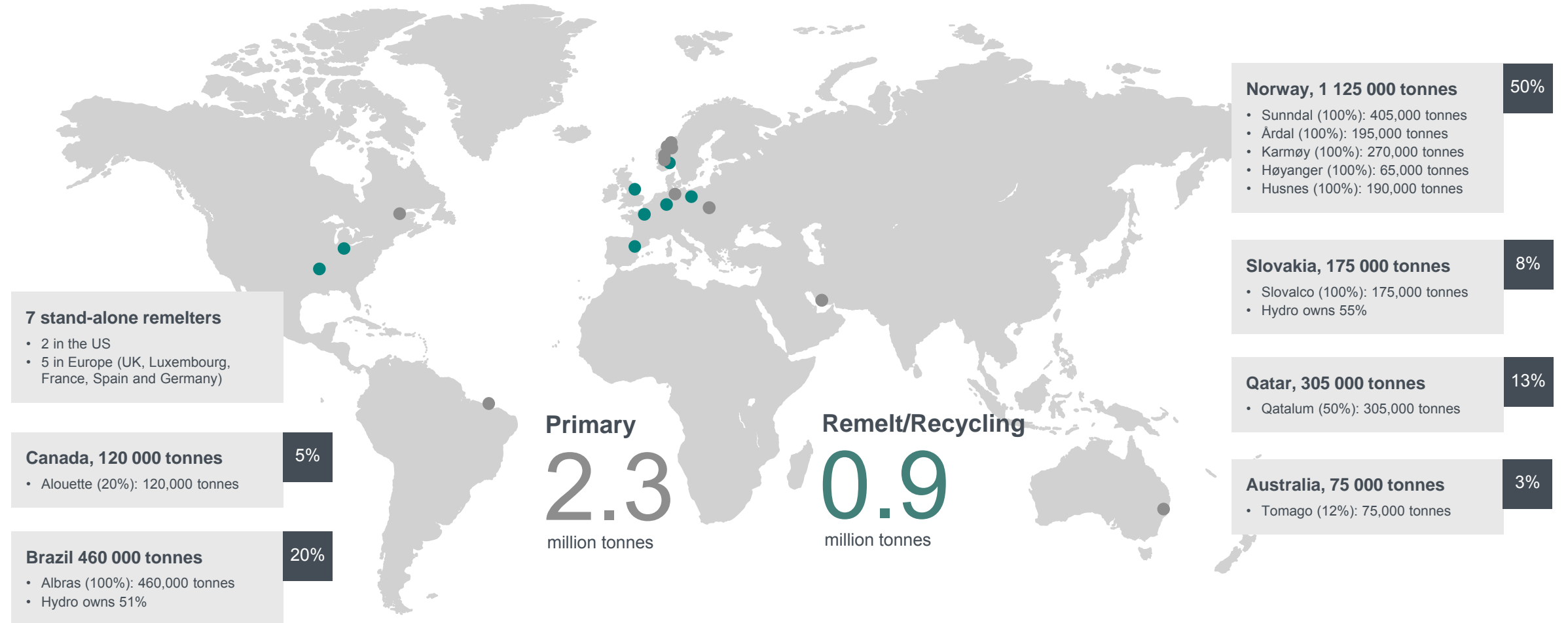


Primary Metal

World-wide primary aluminium production network



Primary Metal and Metal Markets



2.3 million mt is consolidated capacity. Slovalco and Albras are fully consolidated, Tomago and Alouette are proportionally consolidated and Qatalum is equity accounted. Neuss, which is a part of Rolled Products, is not included. 0.9 million mt includes stand-alone remelters, recycling facilities and additional casthouse capacity at primary plants.

Unlocking new improvements through Industry 4.0 initiatives

40 ongoing projects



Robotics & Automation projects



Trusted Data Layer Casthouse



Soft Sensor incl. Trusted Data Layer



Mobile Maintenance Worker



Trusted Data Layer Carbon + Analytics workbench improvements



Bring Your Own Device

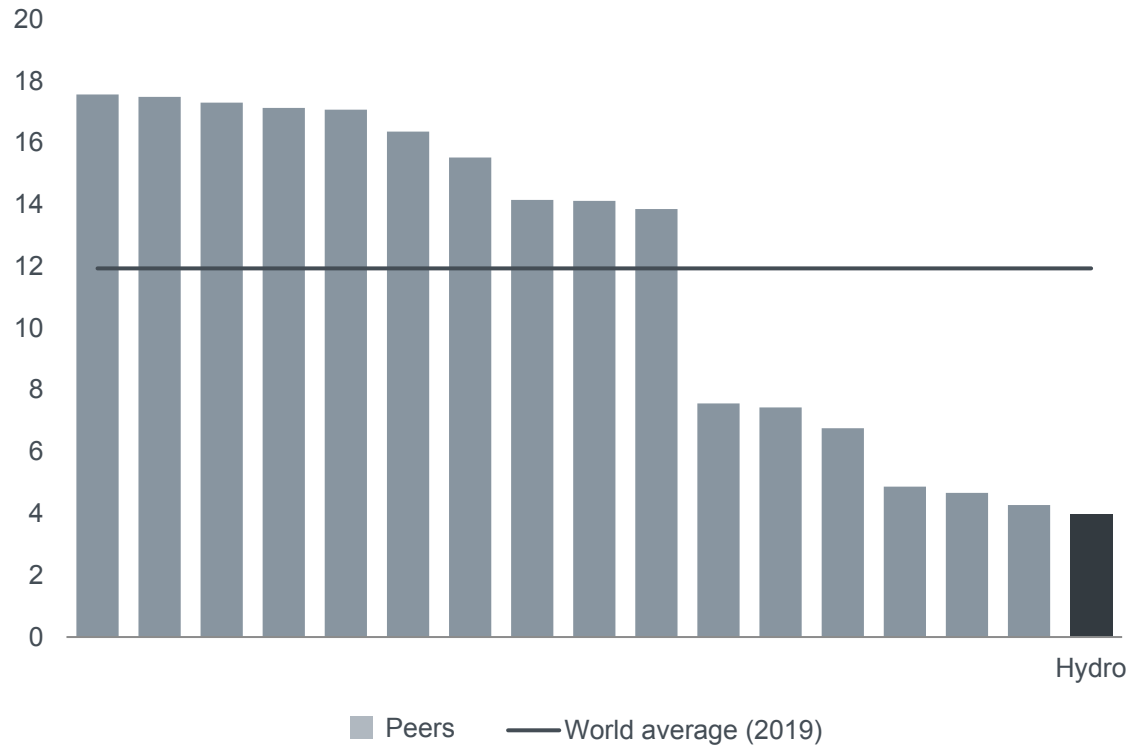
Digital Foundation including Cyber Security

Organization Foundation including Primary Metal Digital Academy

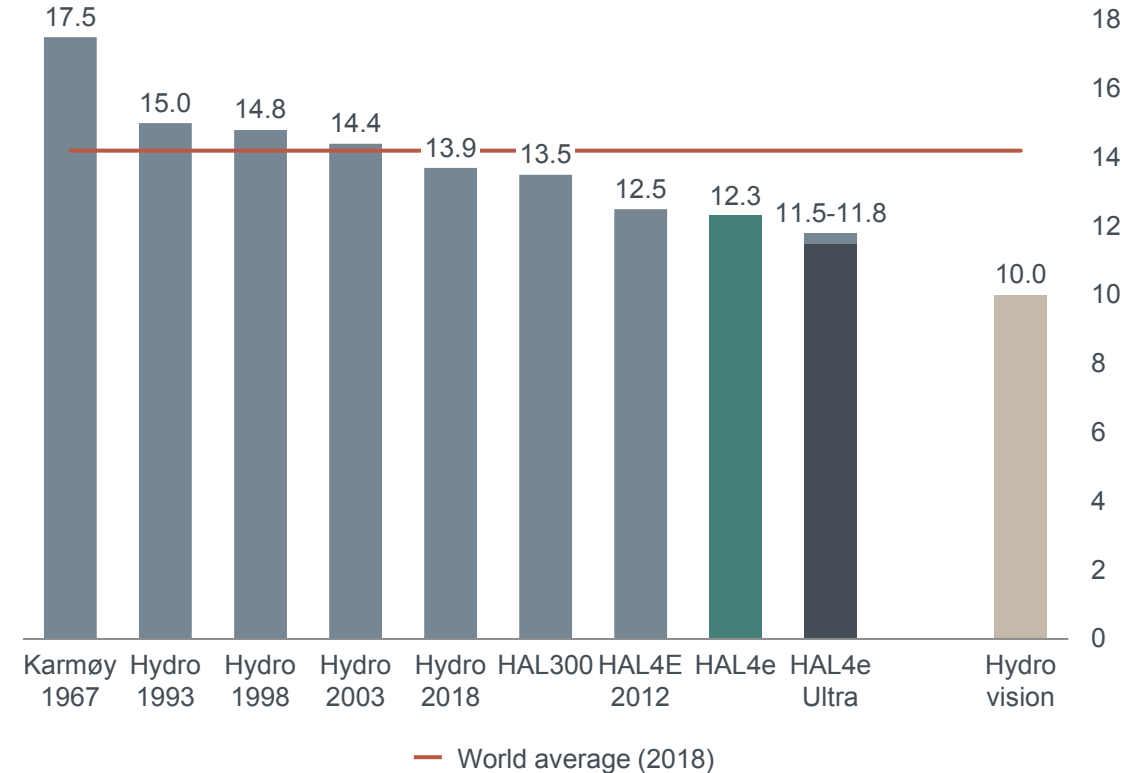
Low carbon footprint due to renewable energy base and industry lowest energy consumption



Total emissions, in tonne CO2/t al



Energy consumption in Hydro smelters¹⁾, kwh/kg al

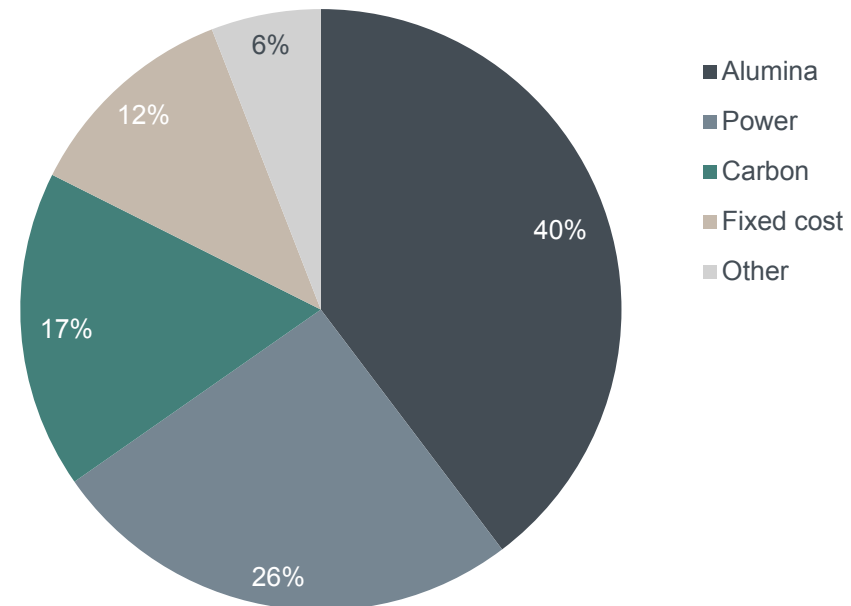


Source: CRU and Hydro analysis
1) Hydro's consolidated share

Competitive primary aluminium cash cost

- Primary aluminium cash cost 2019
 - All-in implied primary aluminium cash cost¹⁾ USD 2 000 per mt
 - LME implied primary aluminium cash cost²⁾ USD 1 675 per mt
- Alumina
 - Alumina prices for 2019 still affected by Alunorte curtailment
 - Alumina from both internal and external sources
 - Purchases based on alumina index ~75%⁴⁾
 - Purchased based on LME link ~25%
- Power
 - Long-term contracts
 - 2/3 of power need from renewable power
 - Contracts with a mix of indexations; inflation, LME, coal, fixed
- Carbon
 - 2-3 year contracts for petroleum coke and pitch, quarterly pricing
- Fixed costs
 - Maintenance, labor, services and other
- Other
 - Other direct costs and relining

Liquid aluminium cash cost 2019 ³⁾



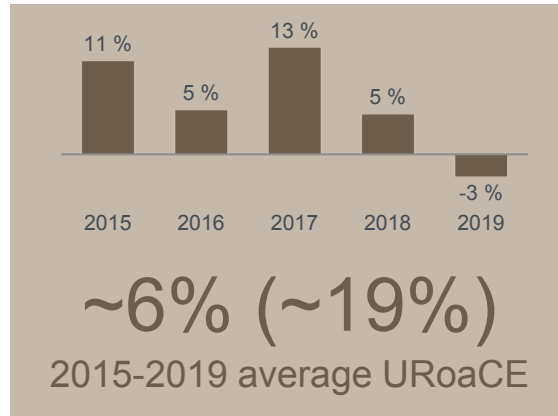
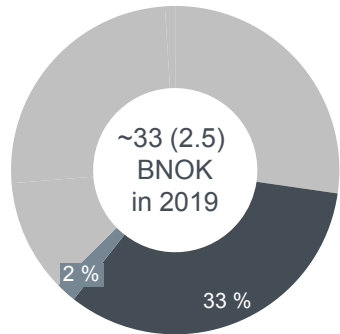
1) Realized LME aluminium price plus premiums minus underlying EBITDA margin, including Qatalum, per mt primary aluminium sold
2) Realized LME aluminium price minus underlying EBITDA margin, including Qatalum, per mt primary aluminium produced
3) Pie chart based on cost of producing liquid aluminium, not directly comparable to the LME or All-in implied primary aluminium cash cost
4) More alumina purchases on indexes due to Alunorte curtailment

Capital return dashboard for Primary Metal & Metal Markets



Returns below the cost of capital mainly reflecting challenging markets and the Alunorte situation. Good returns in recycling

Capital employed in PM (MM)



URoCE > CoC

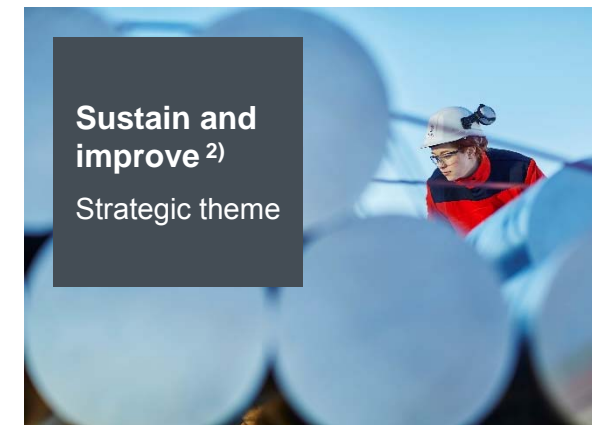
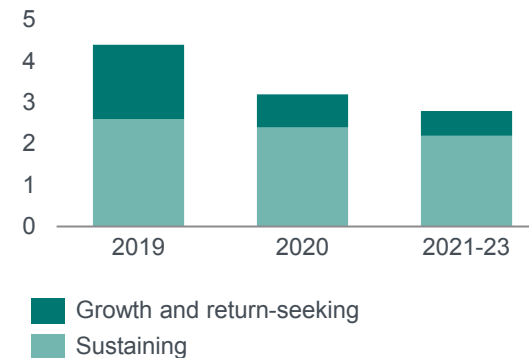
10%-11%
(7-8%)
Nominal long-term cost of capital

1.6 BNOK
on EBIT by 2023 in improvement potential

Key initiatives to reduce NOC

- Reduction in alumina and ingot inventories (safety stocks)

Capex ¹⁾, BNOK



1) Last updated on Investor Day 2019
2) Creep and recycling with high profitability



Metal Markets

Strong position in value-added casthouse products



- Capitalizing on value-added casthouse products portfolio
- Extensive multi-sourcing system including fully- and part-owned primary casthouses and stand-alone remelters
- Flexible sourcing system enabling rapid and cost effective volume adjustments
- Value creation from margin management based on commercial expertise and risk management competence
- Strong market positions in Europe, US and Asia

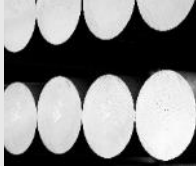






Casthouse production

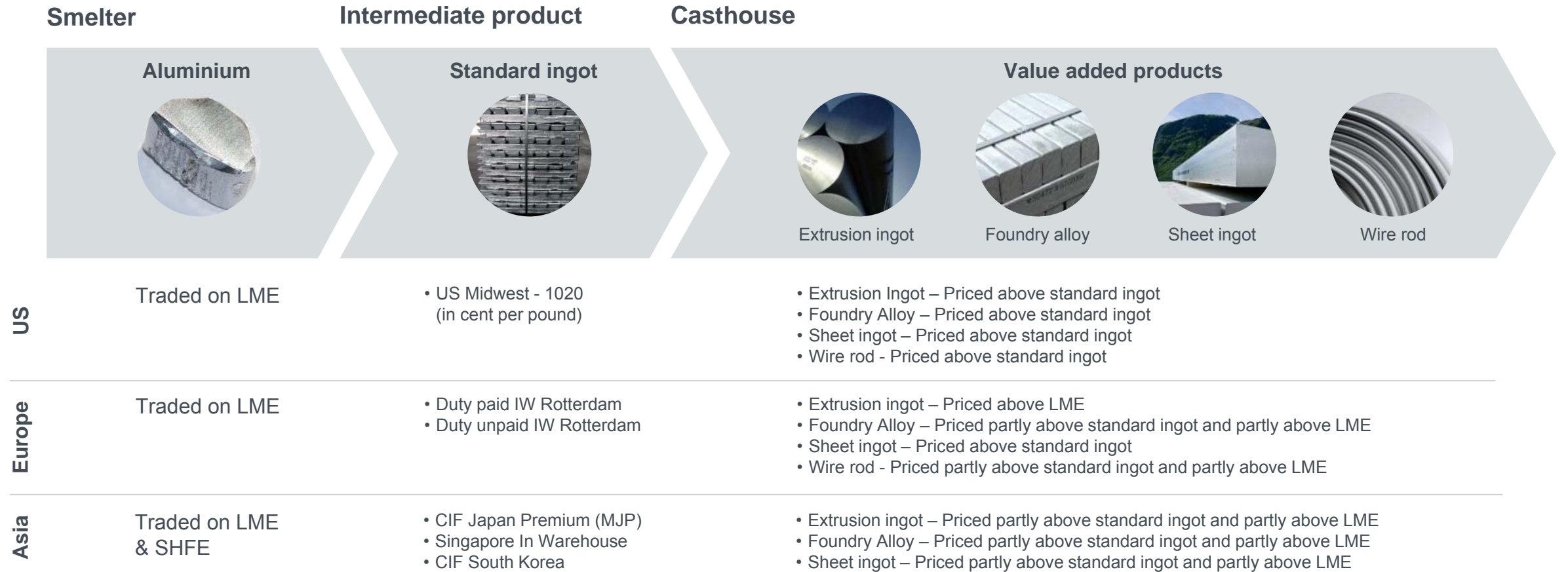
Primary production

Remelting & recycling

Commercial agreements

| | | |
|---|---|---|
| <p>Extrusion ingot</p> <p>1.5 million mt</p> |  | <p>Leading global position</p> <p>Unique primary and recycling capacity network</p> |
| <p>Foundry alloys</p> <p>0.5 million mt</p> |  | <p>Leading global position</p> <p>Strong capabilities in all automotive segments</p> |
| <p>Sheet ingot</p> <p>0.3 million mt</p> |  | <p>Leading European position</p> <p>Well positioned to capture automotive growth</p> |
| <p>Wire rod</p> <p>0.1 million mt</p> |  | <p>Leading European position</p> <p>Market attractively supported by copper substitution</p> |
| <p>Standard ingot</p> <p>0.4 million mt</p> |  | <p>Leading global position</p> <p>Global flow optimization through key positions</p> |

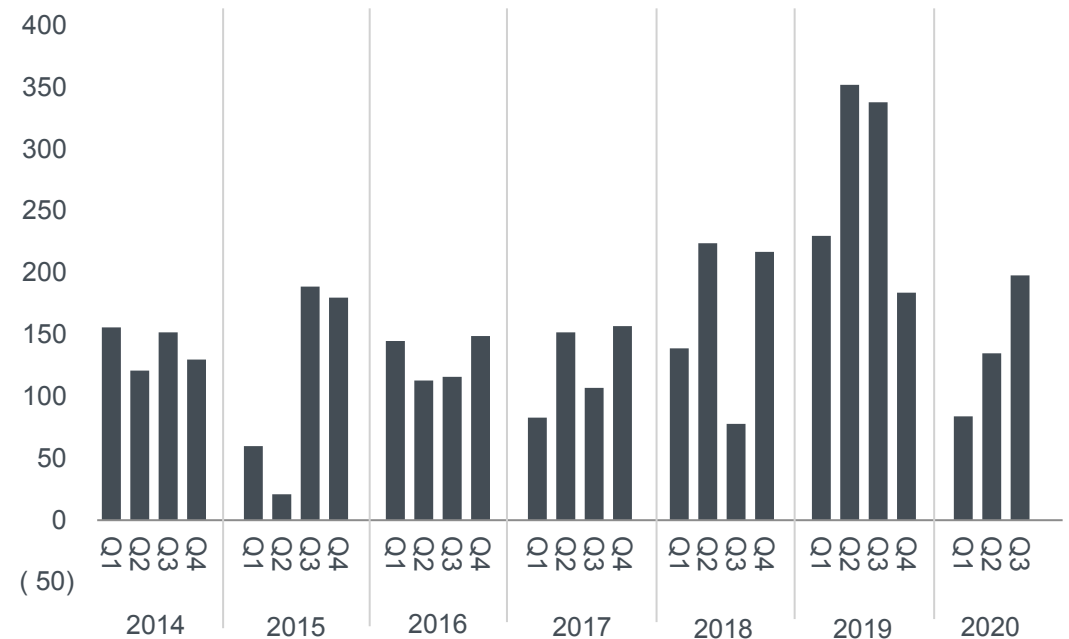
Pricing of value-added products



Metal Markets earnings drivers

- Remelters
 - Revenue impact – volume and product premiums above LME
 - Cost impact
 - Scrap and standard ingot premiums above LME
 - Raw material mix
 - Freight cost – proximity to market
 - Energy consumption and prices
- Other main businesses
 - Physical and LME trading
 - Third-party products
- Results influenced by currency fluctuations and inventory valuation effects
- Underlying EBIT ex. currency and inventory valuation effects at around 500 MNOK per year

Underlying EBIT excluding currency effects and inventory valuation effect, NOK million¹⁾



1) Underlying EBIT ex. currency and ingot inventory valuation effect have been restated for 2014



Rolled Products

Rolled Products - strong European production base and global sales force

- ~1 million tonnes of flat rolled products per year
- Unique integrated aluminium cluster
 - Neuss
 - Alunorf
 - Grevenbroich
- Casthouse network and integrated recycling capacity
- Strong customer satisfaction on quality
- However, unsatisfactory returns over latest years – performance turn-around required



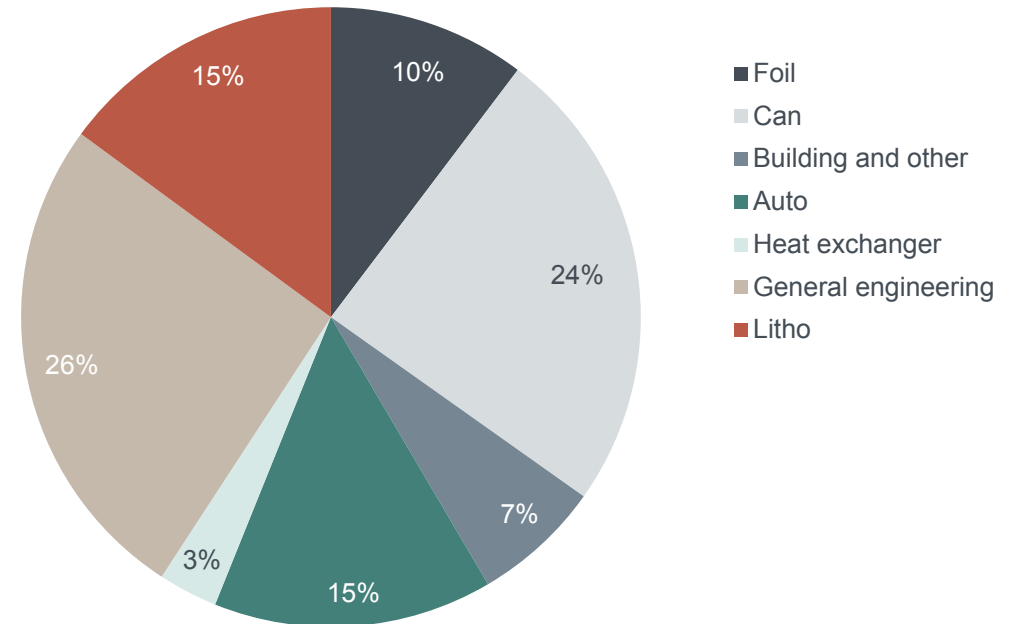
● Rolling mill ● Sales Office ● Smelter ● R&D centre

Major flat rolled products producer in Europe






- World leader in high-end products foil and litho
 - Alunorf (JV 50%) – world's largest rolling mill
 - Grevenbroich plant – world's largest multi-product finishing mill
- High-grading product portfolio
 - Margin management and cash generation
 - Portfolio adjustment towards higher margins
- Capitalize on automotive market growth
 - Investment in new automotive body-in-white capacity
 - Ramp-up ongoing
- Strengthen recycling position through used beverage can recycling plant

External sales in tonnages 2018

Total 951 kT



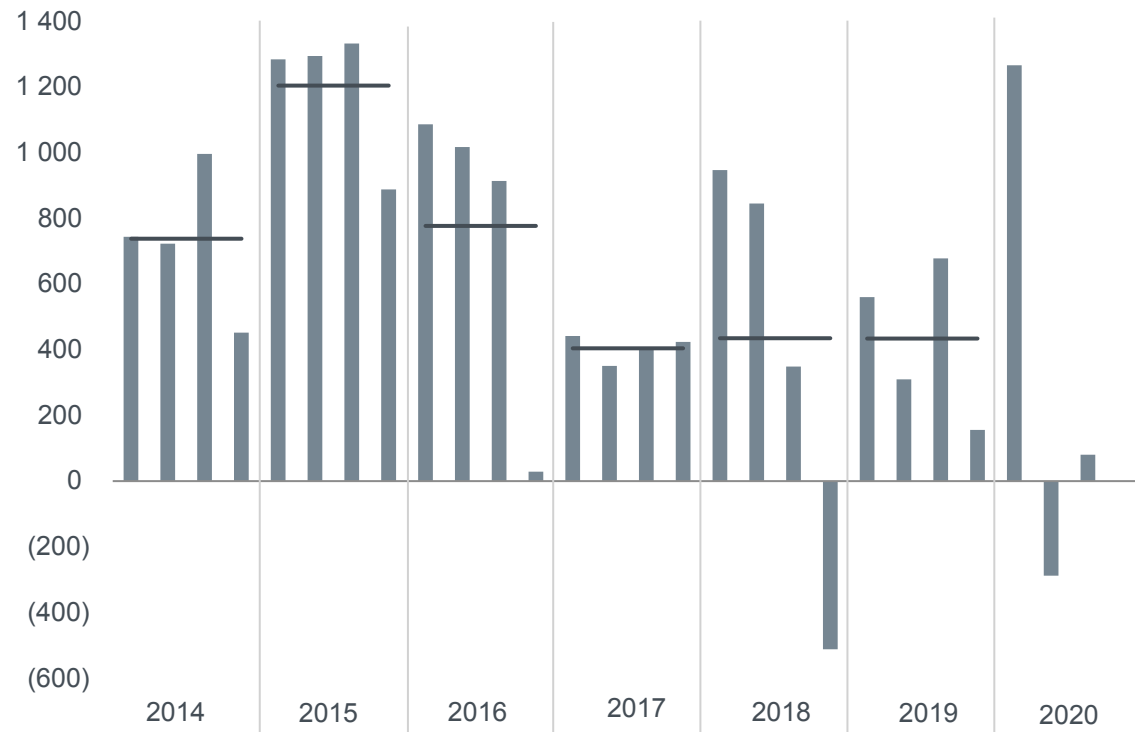
Several attractive segments within rolling industry – Hydro targets to shift portfolio towards auto and can

| | Cans | Automotive | General Engineering | Lithographic sheet | Packaging foil |
|---|--|--|---|---|---|
| |  |  |  |  |  |
| | Aluminium can body stock & can ends for production of alum. beverage cans | Rolled aluminium for chassis, body and component applications | Solutions for buildings and for general engineering applications | Lithographic strip for offset printing plates used for printed media | Broad variety of products from aluminium foil to solid containers |
| Exposure 2018 | 24% | 15% | 36% | 15% | 10% |
| Indicative segment attractiveness ¹⁾ | ● High | ● High | ● Low to High | ● Medium | ● Low |
| Recycling friendliness | ● High | ● Medium | ● Medium | ● Low | ● Low |
| Targeted exposure 2023 | 29% | 21% | 31% | 11% | 7% |

1) Based on expected growth, competitive landscape, returns and margins

Rolled Products earnings drivers

Underlying EBIT per tonne, NOK

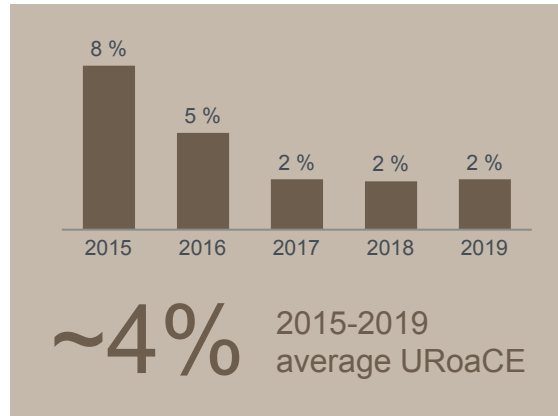
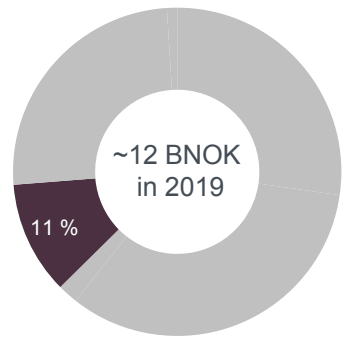


- Contract structure
 - Margin business based on conversion price
 - LME element passed on to customers
 - Range from spot contracts to multi-year contracts
- High share of fixed costs - volume sensitive
- Annual seasonality driven by maintenance and customer activity
 - Q4 typically the weakest quarter of the year
- Preferred supplier market position in high-end products

Capital return dashboard for Rolled Products

Returns below the cost of capital due to continuous margin pressure and operational challenges

Capital employed in RP



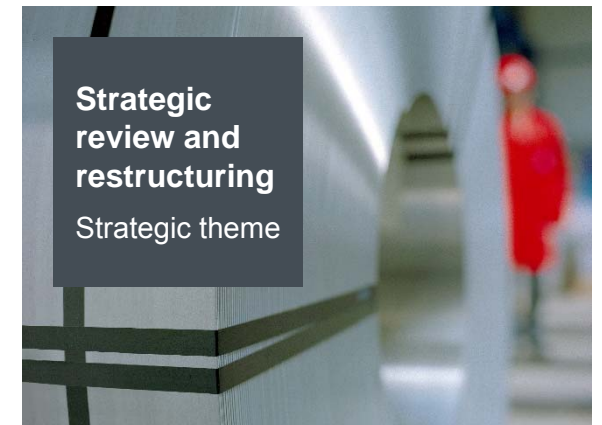
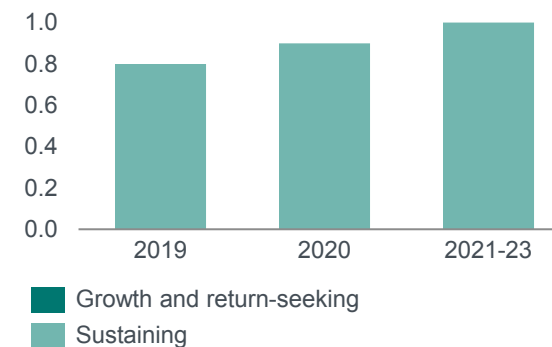
URoaCE > CoC

7-8%
Nominal long-term cost of capital¹⁾

0.9 BNOK
on EBIT by 2023 in improvement potential

0.9 BNOK
in NOC release from 2018 to 2021
Optimize material flow from raw materials to finished goods

Capex²⁾, BNOK



1) Relevant for the rolling business. CoC for the Neuss smelter in line with 10-11% for the upstream business
2) Excluding limited capital expenditures related to the manning reduction. Last updated on Investor Day 2019



Extruded Solutions

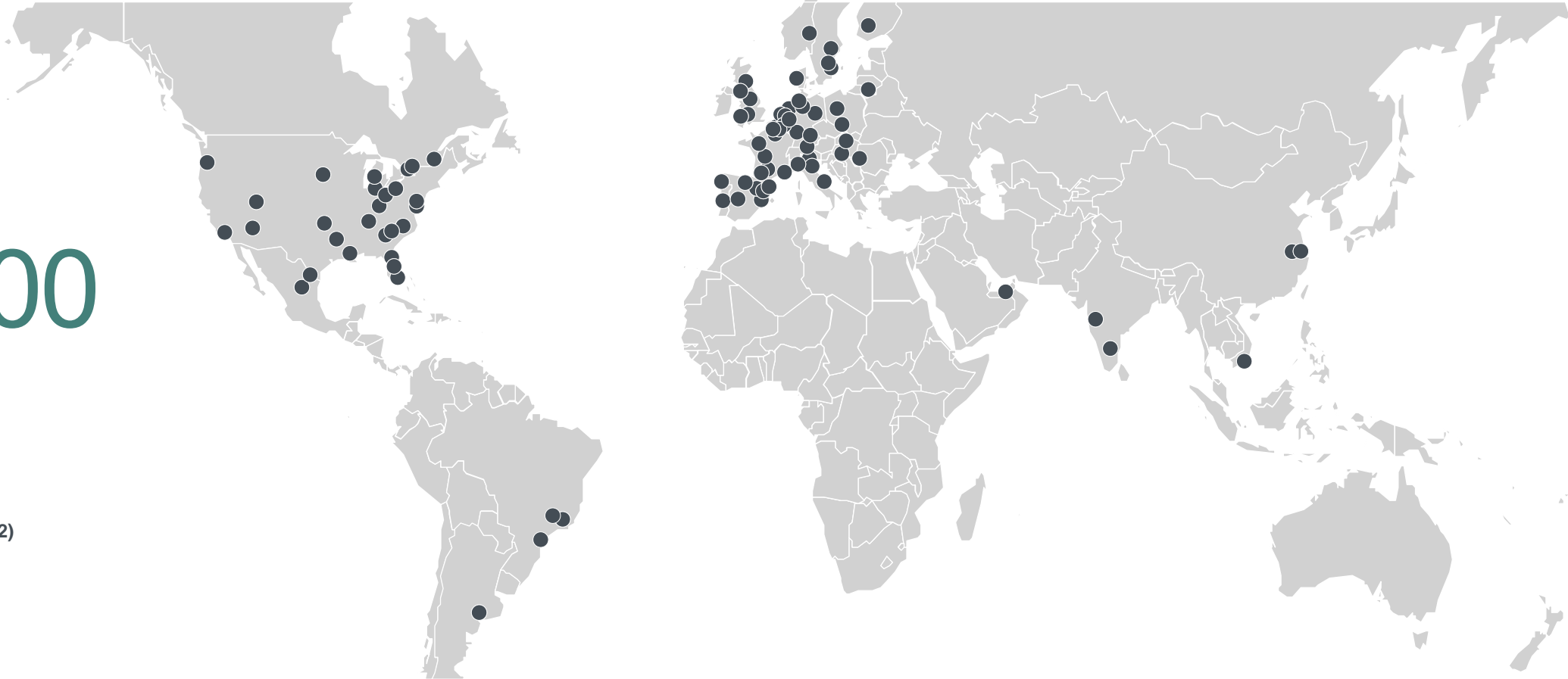
Extruded Solutions – #1 in the global aluminium extrusion industry



Present in
~40
countries

21 700
people ¹⁾

1.3
Million mt sales²⁾



1) Permanent employees as of end-2019
2) 2019

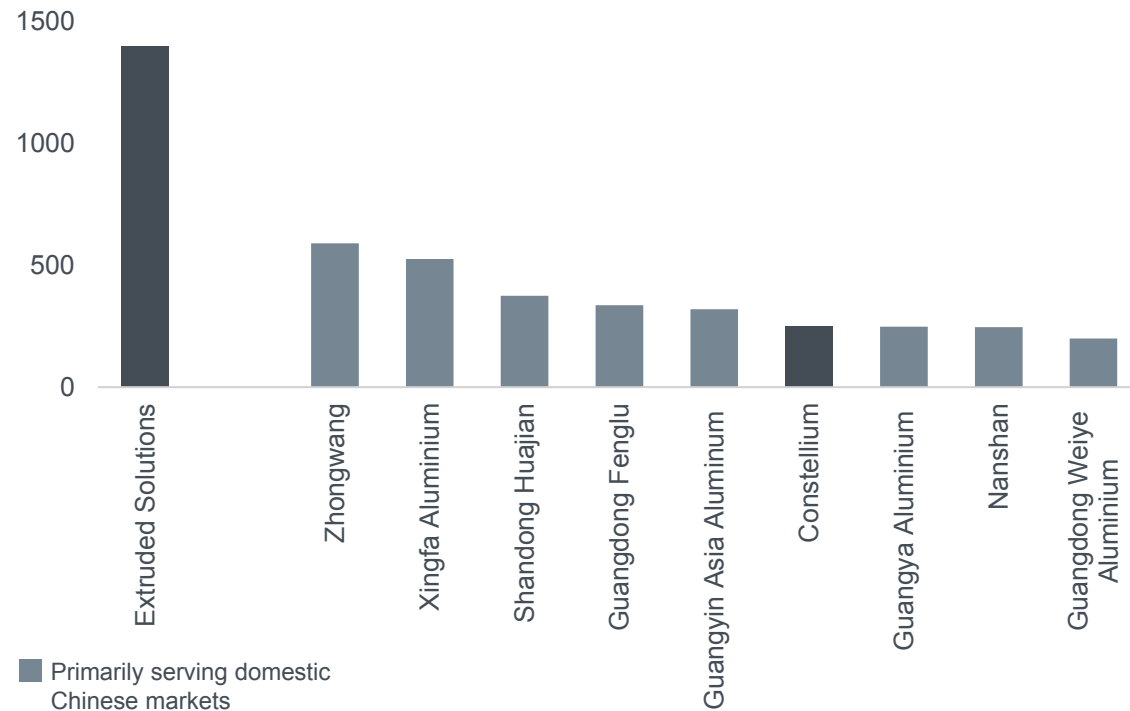
The global extrusion champion – worldwide reach, local presence



Clear leader in a fragmented industry where closeness to customers and markets are key success factors

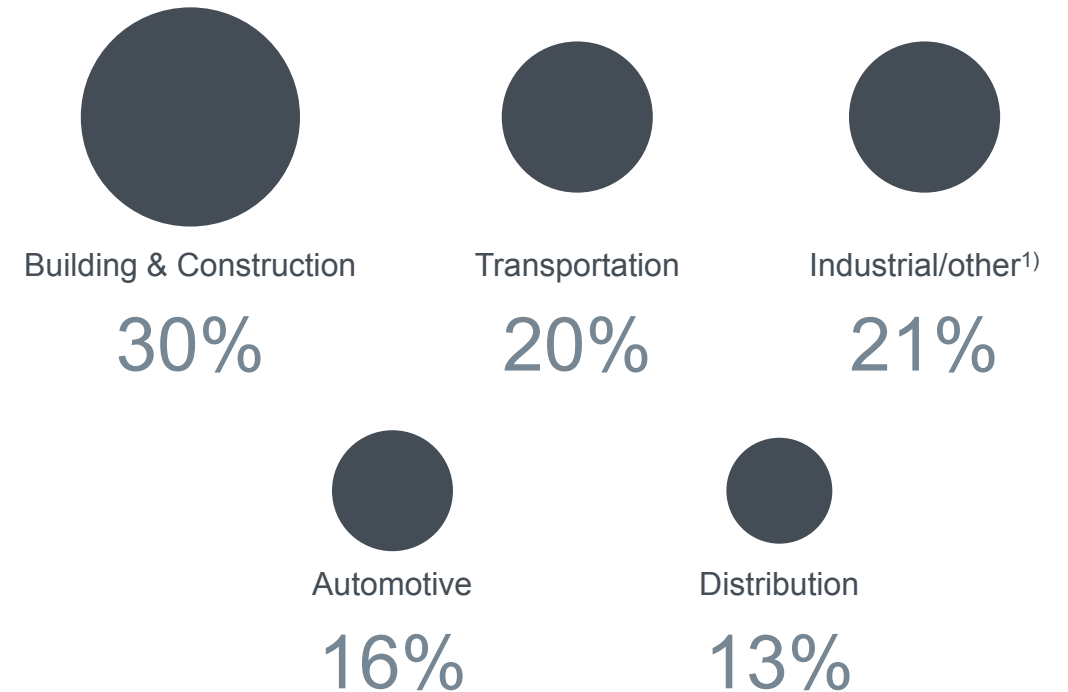
Unrivalled position as #1 extrusions provider globally

Extrusion sales volume (2018), in thousand mt



Customers in diversified end-markets

(Share of Extruded Solutions sales volumes in 2018)



Source: CRU

1) Including HVAC&R, Heating, ventilation, air conditioning and refrigeration

Organized in four business units to maximize synergies across units

22,700 highly competent people across the world, total turnover of BNOK 62

Extrusion Europe



- Market leader focusing on value-added products
- 20% market share
- 40 locations, 9,700 people

Revenue
BNOK 23.4

EBIT
BNOK 0.3

Extrusion North America



- Uniquely positioned as the only coast-to-coast supplier
- 24% market share
- 23 locations, 6,400 people

Revenue
BNOK 25.0

EBIT
BNOK 1.4

Precision Tubing



- Technology leader in selected market niches
- 35% market share globally
- 17 locations, 3,500 people

Revenue
BNOK 6.5

EBIT
BNOK 0.2

Building Systems



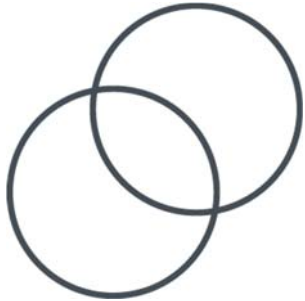
- Leading European player with multi-brand portfolio
- 20% market share in Europe
- Presence in 29 countries, 2,900 people

Revenue
BNOK 8.6

EBIT
BNOK 0.3

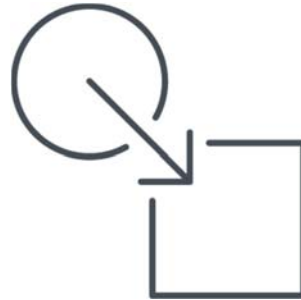
Successful value-over-volume strategy

Targeting the high-tech, high-competence segments of extrusion



Simplify and collaborate

Simplification drive to increase focus, reduce complexity and cost



Deliver value-added to our customers at a reasonable cost

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

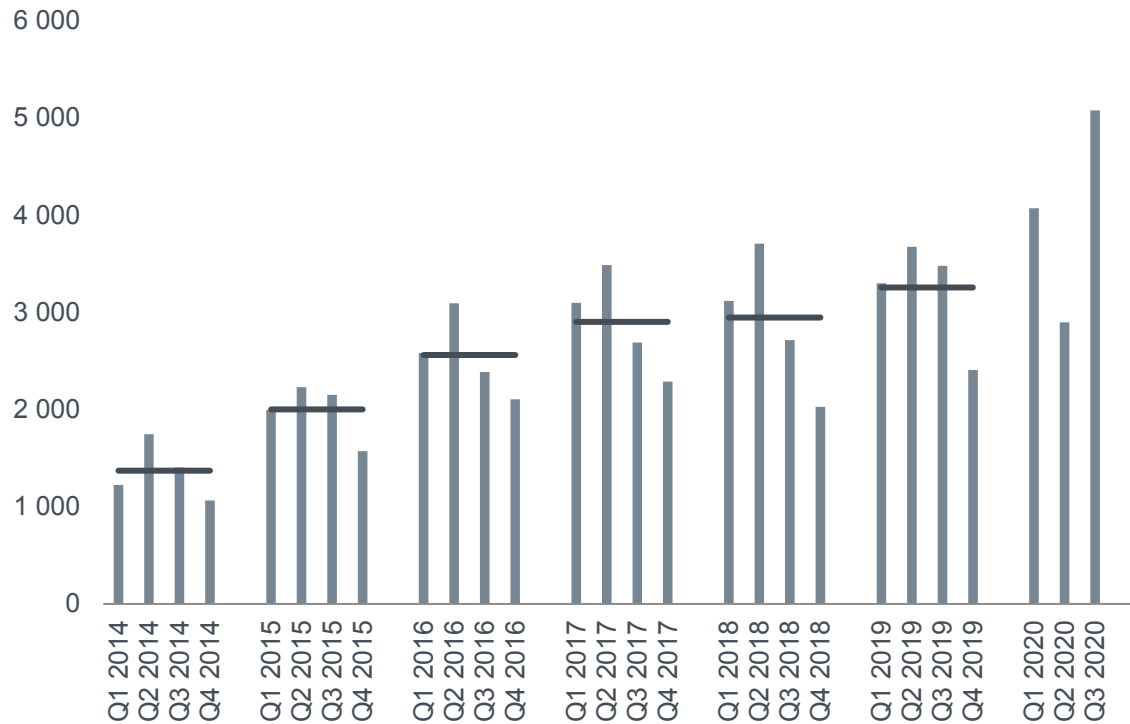


Grow to lift margins and profitability

Lifting margins and creating more customer value through selective growth

Extruded Solutions earnings drivers

Underlying EBITDA per tonne¹⁾, NOK



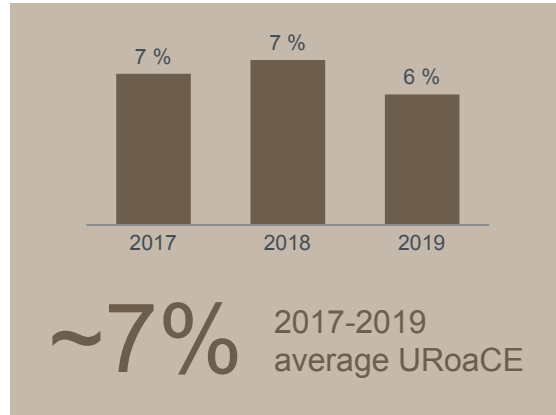
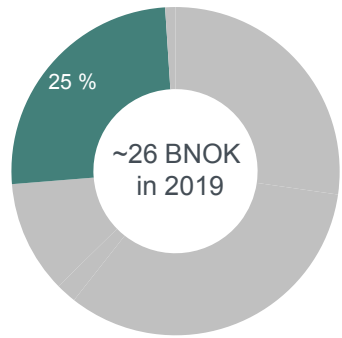
- Contract structure
 - Margin business based on conversion price
 - LME element passed on to customers
 - Mostly short-term contract, typically ranging from spot to 12 months, few longer term contracts with floating price or hedging in place
- High share of variable costs – high level of flexibility
- Annual seasonality driven by maintenance and customer activity
 - Stronger Q1 and Q2, weaker Q3 and Q4
- Strong focus on increasing value add to customers
- Preferred supplier market position in high-end products

1) Pro-forma figures

Capital return dashboard for Extruded Solutions

Returns in line with the cost of capital reflecting leading market positions and value-over-volume strategy

Capital employed in ES



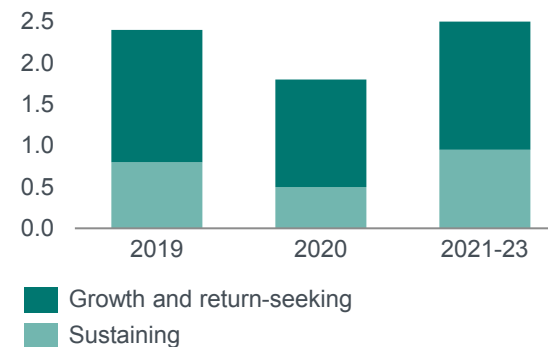
URoaCE > CoC

7-8%
Nominal long-term cost of capital

1.0 BNOK
on EBIT by 2023 in improvement potential

Key initiatives to reduce NOC
Reduction in safety billett stocks

Capex¹⁾, BNOK



1) Last updated on Investor Day 2019



Additional information

Driving long-term shareholder value

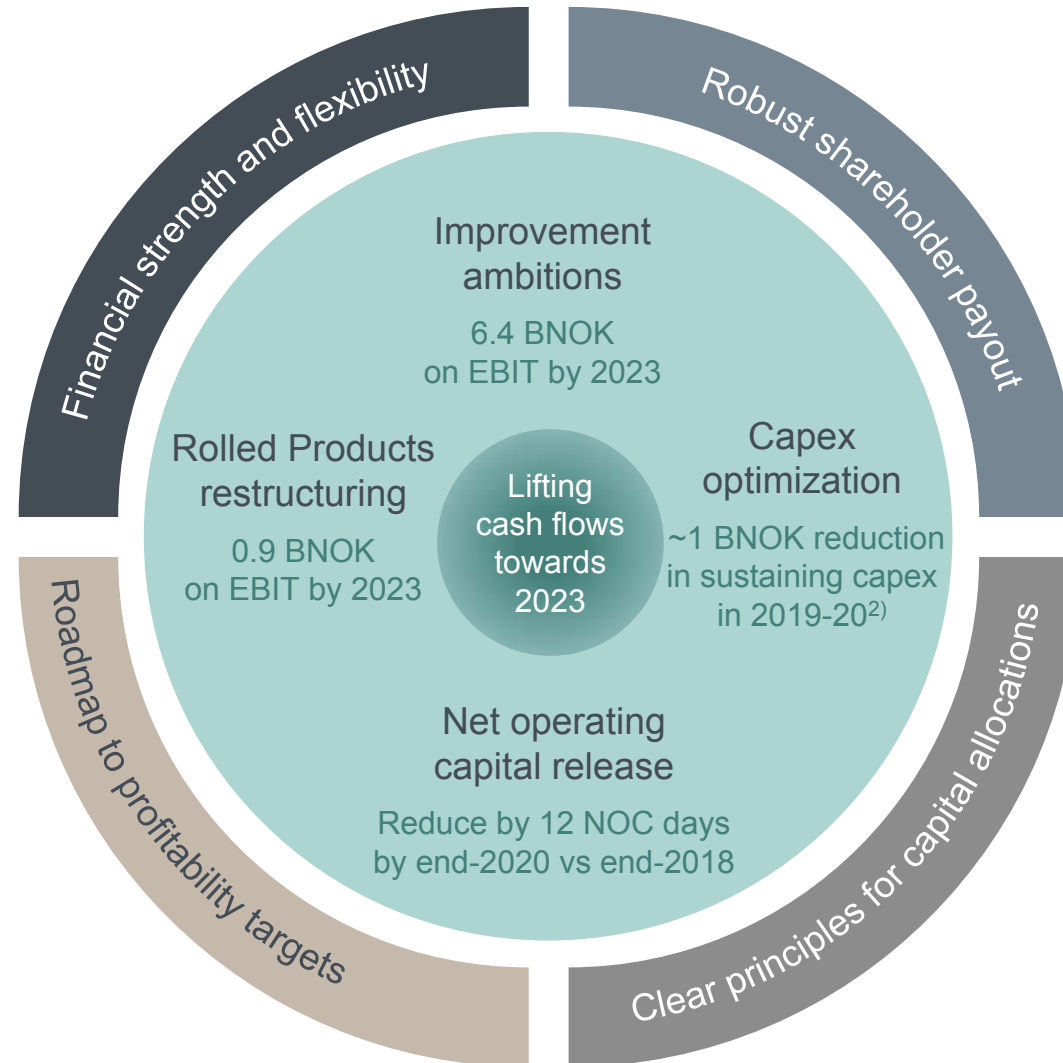
Financial ambitions and targets

Financial strength and flexibility

- Maintain investment grade credit rating
 - Curently BBB (S&P), Baa2 (Moody's¹⁾)
- Balance sheet ratio targets over the cycle:
 - Funds from operations to adjusted net debt > 40%
 - Adjusted net debt to equity < 55%
- 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

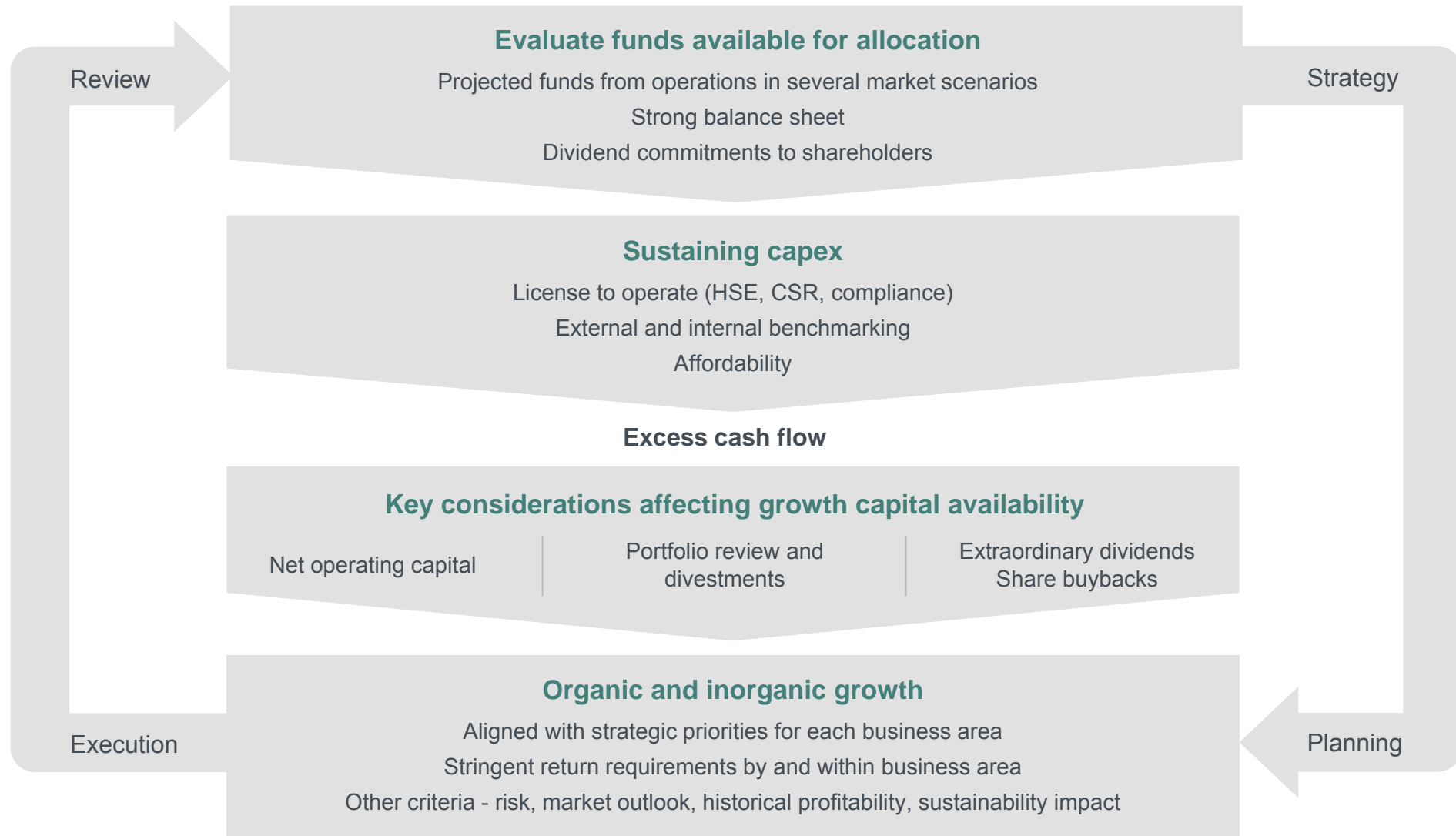
- 40% payout ratio of Net Income over the cycle
- Dividend floor of 1.25 NOK/share
- Supplementary share buybacks or extraordinary dividends

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) Moody's revised Hydro's credit rating outlook from stable to negative on March 28, 2019
2) Compared to CMD 2018

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: 40% of reported net income over the cycle
 - 1.25 NOK/share to be considered as a floor, as of Q4 2016
 - Share buybacks and extraordinary dividends as supplement in periods with strong financials and outlook
 - AGM approval to amend dividend proposal of NOK 1.25 per share and power of attorney granted to BoD to resolve distribution of dividend at later stage if conditions allow for it – does not entail change in general dividend policy
 - Five-year average ordinary pay-out ratio 2015-2019 of ~68% ¹⁾
- Maintain investment-grade credit rating
 - Currently: BBB stable (S&P) & Baa2 negative ¹⁾(Moody's)
 - Competitive access to capital is important for Hydro's business model (counterparty risk and partnerships)
- Financial ratios over the business cycle
 - Funds from operations to adjusted net debt > 40%
 - Adjusted net debt to equity < 55%
- Strong liquidity
 - NOK 17.5 billion in cash and cash equivalents, end of Q3 2020
 - USD 1.6 billion in multi-currency revolving credit facility maturing in 2025

1) Moody's revised Hydro's credit rating outlook from stable to negative on March 28, 2019

Hedging policy

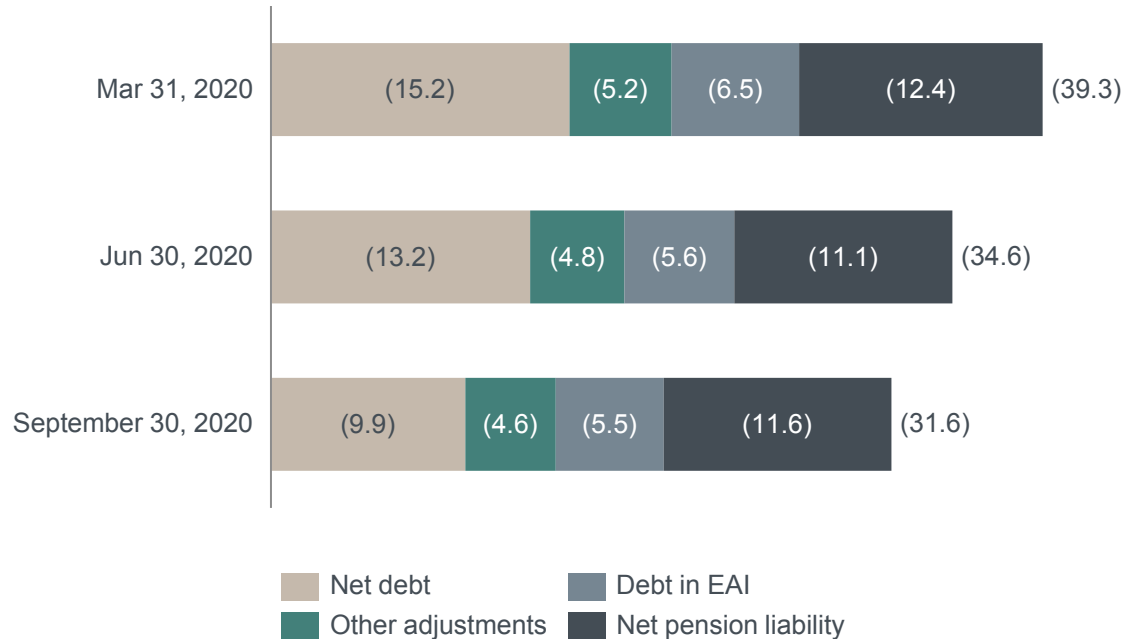


- Hedging strategy
 - Fluctuating with the market: primarily exposed to LME and USD
 - Volatility mitigated by strong balance sheet
 - Strengthening relative position to ensure competitiveness
- Diversified business
 - Upstream cyclicalities balanced with more stable earnings downstream
 - Exposed to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

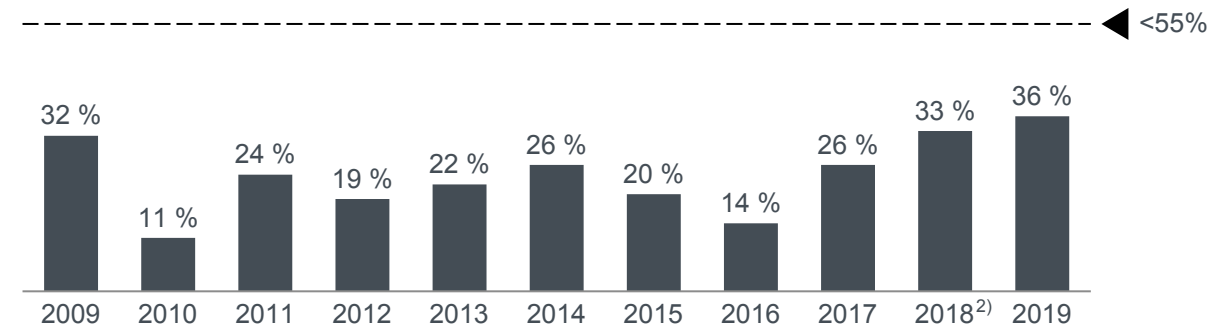
Maintaining a solid balance sheet and investment-grade credit rating



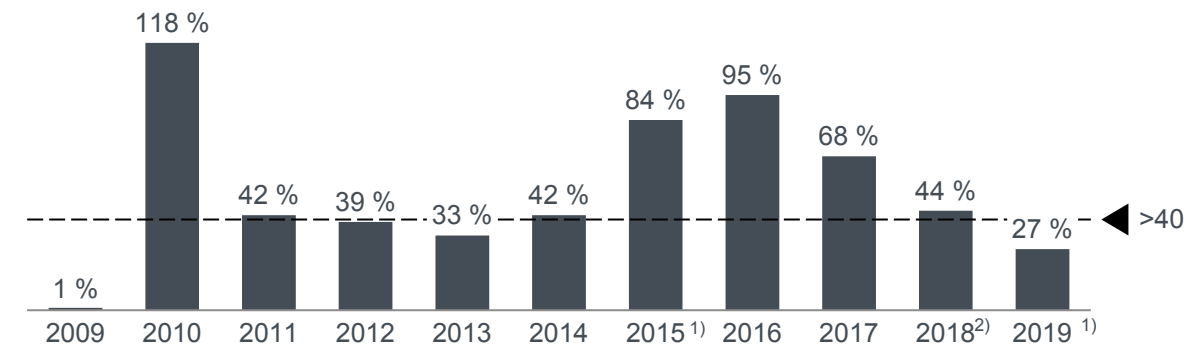
Adjusted net debt BNOK



Adjusted net debt / Equity



Funds from operations / Adjusted net debt

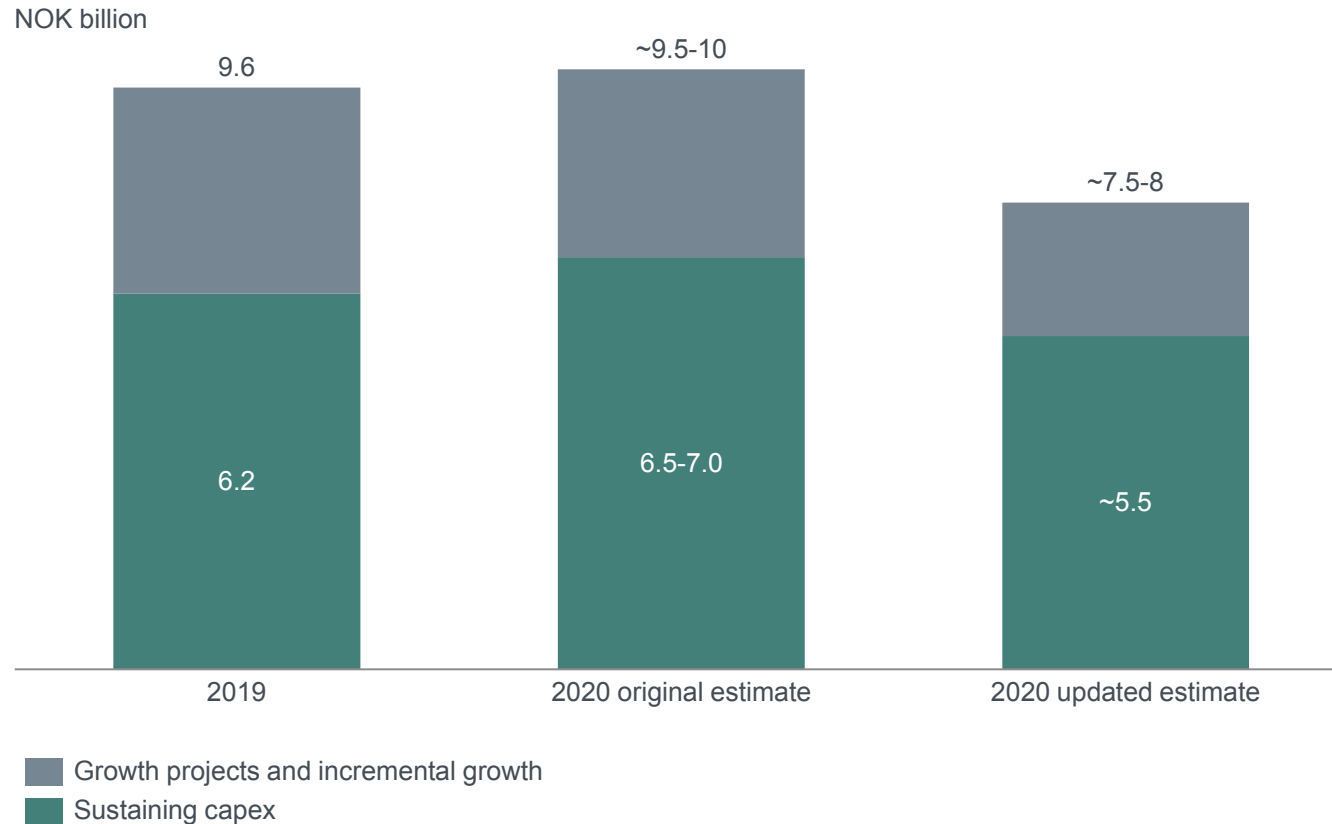


1) 2015 and 2019 FFO/aND ratio has been restated due to changes in definition.

2) 2018 ratios restated for the IFRS16 Leases effect

Updated capex estimate amid Covid-19

We will freeze 20% of targeted 2020 capex (BNOK 2)

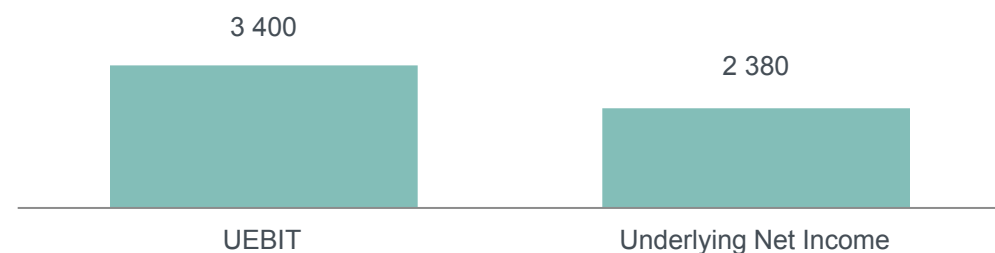


- Capex freeze is split ~50/50 between sustaining and growth projects
- Postponement of sustaining projects to later periods where possible without jeopardizing operations
- Postponement of several growth projects
- Further capex optimization to be continuously evaluated

Significant exposure to commodity and currency fluctuations

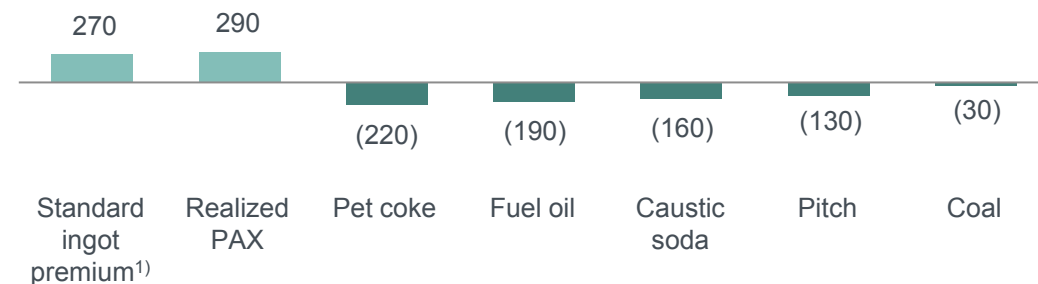
Aluminium price sensitivity +10%

NOK million



Other commodity prices, sensitivity +10%

NOK million



1) Europe duty paid

Currency sensitivities +10%

Sustainable effect:

| NOK million | USD | BRL | EUR |
|--------------------------|--------------|--------------|--------------|
| UEBIT | 3 030 | (850) | (230) |
| <i>UEBIT incl. hedge</i> | <i>2 850</i> | <i>(670)</i> | <i>(230)</i> |

One-off reevaluation effect:

| | | | |
|-----------------|------|-----|---------|
| Financial items | (40) | 830 | (4 000) |
|-----------------|------|-----|---------|

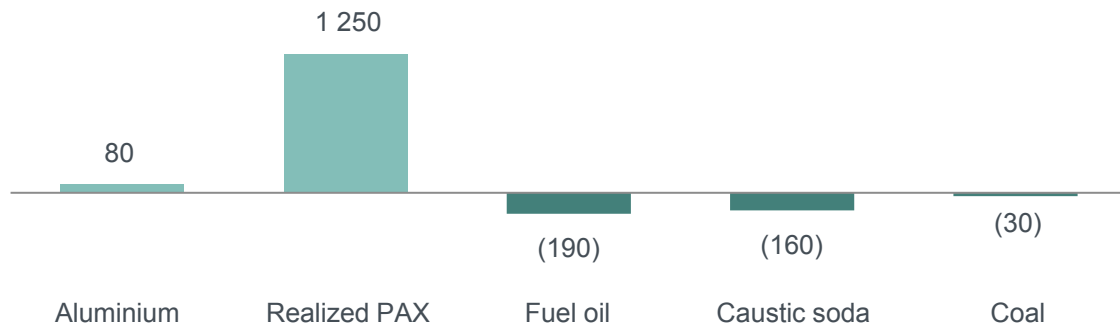
- Annual sensitivities based on normal annual business volumes (incl. 100% production at Alunorte, Paragominas and Albras) and Q320 realized prices as a starting point LME USD 1 600 per mt, standard ingot premium 120 USD/mt, PAX 275 USD/mt, fuel oil USD 350 per mt, petroleum coke USD 240 per mt, pitch 580 EUR/t, caustic soda USD 360 per mt, coal USD 40 per mt, USD/NOK 9.13, BRL/NOK 1.70, EUR/NOK 10.67
- 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 underlying currency exposure (transaction exposure)
- Currency sensitivity on financial items includes effects from intercompany positions
- 2020 Platts alumina index (PAX) exposure used
- U NI sensitivity calculated as U EBIT sensitivity after 30% tax

Bauxite & Alumina sensitivities



Annual sensitivities on underlying EBIT if +10% in price

NOK million



Currency sensitivities +10%

| NOK million | USD | BRL | EUR |
|--------------------------|------------|--------------|-----|
| UEBIT | 880 | (550) | - |
| <i>UEBIT incl. Hedge</i> | <i>710</i> | <i>(370)</i> | |

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

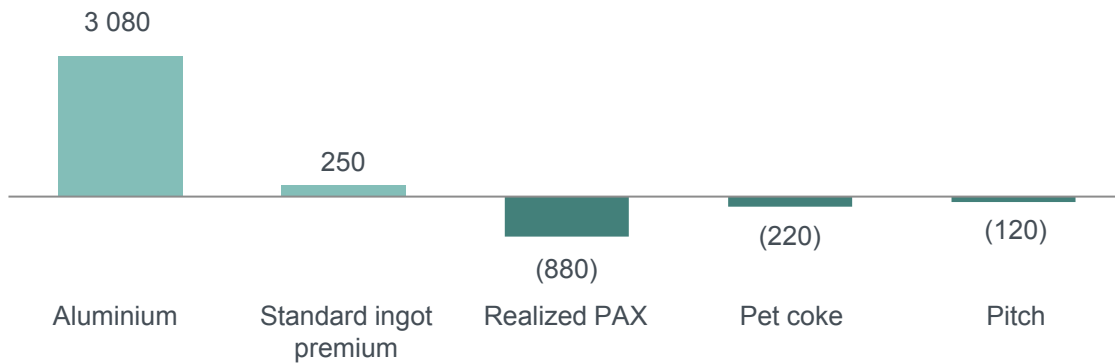
Annual sensitivities based on normal annual business volumes (incl. 100% production at Alunorte, Paragominas and Albras) and Q320 realized prices as a starting point LME USD 1 600 per mt, standard ingot premium 120 USD/mt, PAX 275 USD/mt, fuel oil USD 350 per mt, petroleum coke USD 240 per mt, pitch 580 EUR/t, caustic soda USD 360 per mt, coal USD 40 per mt, USD/NOK 9.13, BRL/NOK 1.70, EUR/NOK 10.67
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

Primary Metal sensitivities



Annual sensitivities on underlying EBIT if +10% in price

NOK million



Currency sensitivities +10%

| NOK million | USD | BRL | EUR |
|-------------|-------|-------|-------|
| UEBIT | 1 800 | (300) | (300) |

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
- ~14.5% of 3-month LME price per tonne alumina, increasing volumes priced on Platts index
- ~ 2-3 months lag

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

Items excluded from underlying results - 2020



| NOK million (+=loss/)=gain) | | Q1 2020 | Q2 2020 | Q3 2020 |
|--|-------------------------------|--------------|--------------|--------------|
| Alunorte agreements - provision | Bauxite & Alumina | 129 | - | - |
| Total impact | Bauxite & Alumina | 129 | - | - |
| Unrealized derivative effects on LME related contracts | Primary Metal | (64) | 200 | (198) |
| Unrealized effects on power contracts | Primary Metal | (147) | 48 | 165 |
| Impairment charges | Primary Metal | - | 504 | - |
| Other effects | Primary Metal | - | (12) | (30) |
| Total impact | Primary Metal | (211) | 740 | (63) |
| Unrealized derivative effects on LME related contracts | Metal Markets | (224) | 340 | (187) |
| Total impact | Metal Markets | (224) | 340 | (187) |
| Unrealized derivative effects on LME related contracts | Rolled Products | 177 | (94) | (63) |
| Metal effect | Rolled Products | 130 | 165 | 95 |
| Significant rationalization charges and closure costs | Rolled Products | - | - | 61 |
| Other effects | Rolled Products | (76) | (50) | (34) |
| Total impact | Rolled Products | 230 | 22 | 59 |
| Unrealized derivative effects on LME related contracts | Extruded Solutions | 114 | 13 | (201) |
| Impairment charges | Extruded Solutions | 12 | 1 483 | 77 |
| Significant rationalization charges and closure costs | Extruded Solutions | 4 | 134 | (20) |
| Transaction related effects | Extruded Solutions | (57) | 6 | - |
| Total impact | Extruded Solutions | 74 | 1 637 | (143) |
| Unrealized derivative effects on power contracts | Energy | (17) | 33 | 14 |
| Total impact | Energy | (17) | 33 | 14 |
| Unrealized derivative effects on power contracts | Other and eliminations | (19) | (19) | (19) |
| Unrealized derivative effects on LME related contracts | Other and eliminations | (16) | 18 | (7) |
| Impairment charges | Other and eliminations | - | (161) | - |
| (Gains) / losses on divestments | Other and eliminations | - | - | (65) |
| Other effects | Other and eliminations | - | - | (4) |
| Total impact | Other and eliminations | (35) | (162) | (96) |
| Items excluded from underlying EBIT | Hydro | (54) | 2 610 | (415) |
| Net foreign exchange (gain)/loss | Hydro | 4 553 | (735) | 1 523 |
| Items excluded from underlying income (loss) before tax | Hydro | 4 499 | 1 875 | 1 108 |
| Calculated income tax effect | Hydro | (1 322) | (221) | (336) |
| Items excluded from underlying net income (loss) | Hydro | 3 176 | 1 654 | 771 |

Items excluded from underlying results - 2019



| NOK million (+=loss/)=gain) | | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Year 2019 |
|--|-------------------------------|-------------|-------------|--------------|--------------|--------------|
| Alunorte agreements - provision | Bauxite & Alumina | 35 | 14 | 30 | - | 80 |
| Impairment charges | Bauxite & Alumina | - | - | - | 145 | 145 |
| Total impact | Bauxite & Alumina | 35 | 14 | 30 | 145 | 225 |
| Unrealized derivative effects on LME related contracts | Primary Metal | 122 | (15) | (27) | 10 | 90 |
| Unrealized effects on power contracts | Primary Metal | 27 | (35) | (42) | 33 | (17) |
| Impairment charges | Primary Metal | - | - | - | 506 | 506 |
| Total impact | Primary Metal | 149 | (50) | (69) | 549 | 579 |
| Unrealized derivative effects on LME related contracts | Metal Markets | 222 | (62) | (19) | 94 | 235 |
| Total impact | Metal Markets | 222 | (62) | (19) | 94 | 235 |
| Unrealized derivative effects on LME related contracts | Rolled Products | (77) | 60 | (24) | (41) | (82) |
| Metal effect | Rolled Products | 267 | 3 | 123 | (23) | 370 |
| Significant rationalization charges and closure costs | Rolled Products | - | - | 1 145 | (57) | 1 088 |
| Other effects | Rolled Products | - | - | (99) | - | (99) |
| Total impact | Rolled Products | 191 | 63 | 1 145 | (120) | 1 277 |
| Unrealized derivative effects on LME related contracts | Extruded Solutions | (77) | 27 | (44) | (70) | (163) |
| Impairment charges | Extruded Solutions | - | 28 | 95 | 132 | 255 |
| Significant rationalization charges and closure costs | Extruded Solutions | - | 200 | 61 | 135 | 396 |
| Pension | Extruded Solutions | - | - | (62) | - | (62) |
| Transaction related effects | Extruded Solutions | - | 35 | - | (14) | 21 |
| Other effects | Extruded Solutions | 26 | - | 59 | 125 | 209 |
| Total impact | Extruded Solutions | (51) | 289 | 109 | 308 | 656 |
| Unrealized derivative effects on power contracts | Energy | 6 | 2 | 1 | (15) | (6) |
| Other effects | Energy | - | - | (42) | - | (42) |
| Total impact | Energy | 6 | 2 | (41) | (15) | (48) |
| Unrealized derivative effects on power contracts | Other and eliminations | (21) | (39) | (5) | (10) | (75) |
| Unrealized derivative effects on LME related contracts | Other and eliminations | 10 | 1 | (7) | 7 | 11 |
| Total impact | Other and eliminations | (11) | (39) | (12) | (2) | (64) |
| Items excluded from underlying EBIT | Hydro | 539 | 219 | 1 144 | 959 | 2 860 |
| Net foreign exchange (gain)/loss | Hydro | (208) | 451 | 1 403 | (442) | 1 204 |
| Items excluded from underlying income (loss) before tax | Hydro | 331 | 670 | 2 547 | 517 | 4 064 |
| Calculated income tax effect | Hydro | (83) | (198) | (550) | (154) | (986) |
| Items excluded from underlying net income (loss) | Hydro | 248 | 472 | 1 996 | 362 | 3 078 |

Operating segment information



Underlying EBIT

| NOK million | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Year 2018 | Year 2019 |
|------------------------|--------------|--------------|--------------|------------|------------|------------|--------------|------------|--------------|------------|--------------|--------------|--------------|
| Bauxite & Alumina | 741 | 364 | 685 | 493 | 153 | 415 | 481 | (75) | 535 | 1 047 | 108 | 2 282 | 974 |
| Primary Metal | 823 | 755 | 861 | (677) | (771) | (604) | (39) | 155 | 573 | (37) | (156) | 1 762 | (1 259) |
| Metal Markets | 178 | 237 | (3) | 275 | 190 | 299 | 362 | 132 | 261 | 21 | 198 | 686 | 983 |
| Rolled Products | 232 | 212 | 82 | (113) | 138 | 75 | 166 | 34 | 299 | (57) | 17 | 413 | 413 |
| Extruded Solutions | 734 | 957 | 497 | 202 | 593 | 772 | 559 | 85 | 702 | 89 | 894 | 2 390 | 2 009 |
| Energy | 278 | 417 | 652 | 500 | 517 | 176 | 254 | 296 | 437 | 53 | 132 | 1 846 | 1 243 |
| Other and Eliminations | 161 | (229) | (97) | (145) | (261) | (258) | (417) | (67) | (560) | (166) | 213 | (310) | (1 003) |
| Total | 3 147 | 2 713 | 2 676 | 534 | 559 | 875 | 1 366 | 560 | 2 247 | 949 | 1 407 | 9 069 | 3 359 |

Underlying EBITDA

| NOK million | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Year 2018 | Year 2019 |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Bauxite & Alumina | 1 370 | 937 | 1 193 | 877 | 758 | 1 004 | 1 071 | 504 | 1 102 | 1 550 | 578 | 4 377 | 3 337 |
| Primary Metal | 1 349 | 1 309 | 1 424 | (176) | (180) | (27) | 550 | 812 | 1 197 | 560 | 404 | 3 906 | 1 155 |
| Metal Markets | 201 | 262 | 22 | 301 | 219 | 328 | 395 | 167 | 296 | 58 | 233 | 786 | 1 110 |
| Rolled Products | 456 | 438 | 314 | 133 | 384 | 326 | 430 | 308 | 588 | 249 | 316 | 1 340 | 1 448 |
| Extruded Solutions | 1 155 | 1 383 | 931 | 645 | 1 099 | 1 279 | 1 099 | 655 | 1 242 | 649 | 1 412 | 4 114 | 4 132 |
| Energy | 339 | 479 | 716 | 566 | 583 | 242 | 319 | 365 | 505 | 122 | 200 | 2 100 | 1 509 |
| Other and Eliminations | 169 | (223) | (90) | (135) | (231) | (224) | (385) | (19) | (528) | (138) | 244 | (280) | (859) |
| Total | 5 038 | 4 586 | 4 510 | 2 210 | 2 633 | 2 928 | 3 479 | 2 792 | 4 403 | 3 050 | 3 387 | 16 344 | 11 832 |

Operating segment information



EBIT

| NOK million | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Year 2018 | Year 2019 |
|------------------------|--------------|--------------|--------------|------------|-----------|------------|------------|--------------|--------------|----------------|--------------|--------------|------------|
| Bauxite & Alumina | 741 | 364 | 166 | 493 | 118 | 401 | 450 | (221) | 406 | 1 047 | 108 | 1 763 | 749 |
| Primary Metal | 917 | 776 | 954 | (524) | (919) | (554) | 30 | (394) | 784 | (777) | (93) | 2 123 | (1 838) |
| Metal Markets | 305 | 270 | (107) | 419 | (31) | 361 | 381 | 38 | 485 | (319) | 385 | 886 | 748 |
| Rolled Products | 78 | 353 | 223 | (319) | (53) | 12 | (978) | 155 | 68 | (79) | (42) | 336 | (865) |
| Extruded Solutions | 687 | 1 109 | 286 | (307) | 644 | 483 | 449 | (223) | 628 | (1 548) | 1 038 | 1 774 | 1 353 |
| Energy | 278 | 417 | 652 | 507 | 510 | 174 | 295 | 312 | 454 | 20 | 118 | 1 853 | 1 291 |
| Other and Eliminations | 295 | (303) | (117) | (89) | (249) | (220) | (405) | (65) | (525) | (5) | 309 | (214) | (939) |
| Total | 3 301 | 2 986 | 2 057 | 178 | 20 | 656 | 222 | (399) | 2 301 | (1 661) | 1 822 | 8 522 | 499 |

EBITDA

| NOK million | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Year 2018 | Year 2019 |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| Bauxite & Alumina | 1 370 | 937 | 674 | 877 | 724 | 989 | 1 040 | 504 | 973 | 1 550 | 578 | 3 858 | 3 258 |
| Primary Metal | 1 443 | 1 330 | 1 517 | (23) | (328) | 23 | 619 | 769 | 1 408 | 324 | 467 | 4 267 | 1 081 |
| Metal Markets | 329 | 295 | (82) | 445 | (2) | 390 | 414 | 73 | 521 | (282) | 420 | 986 | 875 |
| Rolled Products | 302 | 580 | 455 | (73) | 194 | 263 | (715) | 429 | 358 | 228 | 257 | 1 263 | 170 |
| Extruded Solutions | 1 108 | 1 534 | 720 | 136 | 1 150 | 1 017 | 1 085 | 479 | 1 181 | 496 | 1 633 | 3 498 | 3 731 |
| Energy | 339 | 479 | 716 | 573 | 576 | 240 | 361 | 380 | 523 | 88 | 186 | 2 107 | 1 558 |
| Other and Eliminations | 302 | (296) | (110) | (80) | (219) | (186) | (373) | (17) | (493) | (137) | 339 | (183) | (795) |
| Total | 5 193 | 4 860 | 3 890 | 1 854 | 2 094 | 2 737 | 2 430 | 2 617 | 4 470 | 2 267 | 3 879 | 15 796 | 9 878 |

Operating segment information



Total revenue

| NOK million | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Year 2018 | Year 2019 |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Bauxite & Alumina | 6 309 | 6 877 | 6 749 | 8 613 | 4 866 | 5 745 | 6 211 | 5 983 | 6 029 | 6 173 | 5 334 | 28 548 | 22 805 |
| Primary Metal | 10 170 | 10 083 | 9 984 | 9 196 | 9 023 | 8 937 | 8 718 | 8 497 | 9 753 | 7 720 | 8 228 | 39 434 | 35 175 |
| Metal Markets | 13 898 | 14 205 | 13 230 | 12 903 | 12 959 | 13 301 | 12 326 | 11 866 | 12 912 | 10 485 | 11 290 | 54 237 | 50 452 |
| Rolled Products | 6 797 | 7 145 | 6 791 | 6 223 | 6 844 | 6 623 | 6 672 | 6 192 | 6 597 | 5 674 | 5 668 | 26 955 | 26 331 |
| Extruded Solutions | 15 911 | 16 980 | 15 976 | 15 218 | 16 013 | 17 270 | 15 233 | 13 835 | 15 140 | 11 593 | 13 372 | 64 085 | 62 351 |
| Energy | 1 762 | 2 163 | 2 488 | 2 267 | 2 261 | 1 815 | 1 990 | 2 155 | 2 115 | 1 423 | 1 539 | 8 681 | 8 221 |
| Other and Eliminations | (14 877) | (16 198) | (15 452) | (16 034) | (14 382) | (14 515) | (13 633) | (13 039) | (14 421) | (12 136) | (12 263) | (62 562) | (55 569) |
| Total | 39 971 | 41 254 | 39 766 | 38 386 | 37 583 | 39 176 | 37 517 | 35 490 | 38 124 | 30 931 | 33 169 | 159 377 | 149 766 |

External revenue

| NOK million | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Year 2018 | Year 2019 |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Bauxite & Alumina | 3 509 | 3 640 | 3 016 | 4 232 | 2 370 | 2 692 | 3 684 | 3 509 | 3 249 | 3 792 | 3 167 | 14 396 | 12 255 |
| Primary Metal | 2 018 | 1 993 | 2 312 | 1 505 | 1 390 | 1 457 | 1 642 | 1 651 | 1 968 | 1 393 | 1 632 | 7 829 | 6 141 |
| Metal Markets | 10 901 | 10 905 | 10 575 | 10 121 | 10 139 | 10 577 | 9 742 | 9 706 | 10 353 | 8 510 | 9 242 | 42 502 | 40 164 |
| Rolled Products | 6 870 | 7 011 | 6 773 | 6 287 | 6 777 | 6 654 | 6 639 | 6 109 | 6 701 | 5 604 | 5 644 | 26 940 | 26 179 |
| Extruded Solutions | 15 932 | 16 877 | 15 934 | 15 280 | 15 924 | 17 271 | 15 214 | 13 801 | 15 215 | 11 581 | 13 344 | 64 023 | 62 211 |
| Energy | 738 | 823 | 1 151 | 961 | 983 | 519 | 594 | 712 | 633 | 47 | 137 | 3 673 | 2 808 |
| Other and Eliminations | 4 | 6 | 5 | (1) | - | 5 | 1 | 2 | 5 | 3 | 3 | 14 | 8 |
| Total | 39 971 | 41 254 | 39 766 | 38 386 | 37 583 | 39 176 | 37 517 | 35 490 | 38 124 | 30 931 | 33 169 | 159 377 | 149 766 |

Operating segment information



Internal revenue

| NOK million | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Year 2018 | Year 2019 |
|------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|
| Bauxite & Alumina | 2 800 | 3 237 | 3 733 | 4 381 | 2 496 | 3 052 | 2 527 | 2 474 | 2 780 | 2 380 | 2 168 | 14 152 | 10 550 |
| Primary Metal | 8 152 | 8 090 | 7 672 | 7 691 | 7 633 | 7 480 | 7 075 | 6 846 | 7 785 | 6 328 | 6 596 | 31 605 | 29 035 |
| Metal Markets | 2 997 | 3 301 | 2 656 | 2 781 | 2 820 | 2 724 | 2 584 | 2 160 | 2 559 | 1 975 | 2 047 | 11 735 | 10 287 |
| Rolled Products | (72) | 134 | 18 | (64) | 66 | (31) | 33 | 83 | (104) | 69 | 25 | 15 | 152 |
| Extruded Solutions | (21) | 103 | 42 | (62) | 89 | (1) | 18 | 34 | (76) | 12 | 28 | 61 | 140 |
| Energy | 1 024 | 1 340 | 1 337 | 1 306 | 1 278 | 1 296 | 1 397 | 1 444 | 1 482 | 1 376 | 1 402 | 5 007 | 5 414 |
| Other and Eliminations | (14 881) | (16 204) | (15 457) | (16 033) | (14 382) | (14 520) | (13 634) | (13 040) | (14 426) | (12 139) | (12 266) | (62 576) | (55 577) |
| Total | - | - | - | - | - | - | - | - | - | - | - | - | - |

Share of profit /(loss) in equity accounted investments

| NOK million | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Year 2018 | Year 2019 |
|------------------------|------------|------------|------------|-----------|----------|-----------|------------|-----------|------------|-----------|-----------|------------|------------|
| Bauxite & Alumina | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Primary Metal | 210 | 280 | 238 | (5) | 32 | 24 | 150 | 65 | 40 | 26 | 6 | 722 | 270 |
| Metal Markets | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Rolled Products | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Extruded Solutions | 17 | 11 | 14 | 10 | 12 | 5 | - | - | - | - | - | 53 | 18 |
| Energy | (10) | (11) | (4) | (11) | (9) | (9) | (4) | (7) | (12) | (5) | (16) | (35) | (29) |
| Other and Eliminations | 3 | 5 | (20) | 35 | (32) | 27 | (23) | 10 | (31) | 28 | 34 | 24 | (18) |
| Total | 221 | 286 | 229 | 30 | 3 | 47 | 123 | 68 | (4) | 48 | 24 | 765 | 241 |

Operating segment information

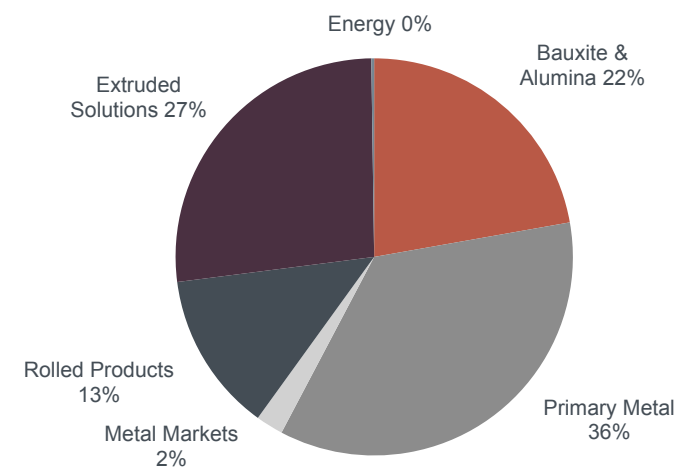


Return on average capital employed ¹⁾ (RoaCE)

| | Reported RoaCE | | | | | | | Underlying RoaCE | | | | | | |
|----------------------------------|----------------|-------------|--------------|-------------|-------------|-------------|-------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
| Bauxite & Alumina | 1.9% | 4.6% | 8.5% | 2.7% | 5.3% | (0.1)% | (2.5)% | 2.5% | 6.0% | 8.5% | 2.8% | 5.3% | (0.1)% | (2.2)% |
| Primary Metal | (3.9%) | 5.6% | 11.8% | 5.2% | 10.7% | 10.4% | 2.3% | (2.6%) | 4.7% | 12.6% | 5.2% | 11.0% | 10.4% | 3.9% |
| Metal Markets | 20.7% | 25.1% | 18.6% | 19.6% | 5.4% | 21.9% | 22.3% | 27.3% | 19.4% | 20.9% | 15.9% | 11.4% | 19.4% | 19.9% |
| Rolled Products | (5.0%) | 1.9% | 3.2% | 6.2% | 1.1% | 8.6% | 0.7% | 2.4% | 2.3% | 2.4% | 4.6% | 7.8% | 5.3% | 5.2% |
| Extruded Solutions ²⁾ | 3.8% | 5.3% | 13.4% | | | | | 5.7% | 7.2% | 6.6% | | | | |
| Energy | 14.7% | 19.4% | 17.5% | 18.1% | 17.2% | 17.4% | 36.1% | 12.8% | 19.3% | 17.5% | 18.1% | 17.3% | 17.4% | 36.1% |
| Hydro Group | (0.9%) | 6.0% | 11.2% | 6.5% | 7.5% | 4.9% | 1.1% | 1.3% | 6.6% | 9.6% | 5.1% | 9.2% | 5.2% | 2.3% |

Capital employed – upstream focus

| NOK million | Sep 30, 2020 |
|------------------------|---------------|
| Bauxite & Alumina | 21 313 |
| Primary Metal | 34 048 |
| Metal Markets | 2 142 |
| Rolled Products | 12 482 |
| Extruded Solutions | 25 688 |
| Energy | 225 |
| Other and Eliminations | (9 109) |
| Total | 86 789 |



Graph excludes BNOK (9.1) in capital employed in Other and Eliminations

1) RoaCE at business area level is calculated using 25% tax rate (30% tax rate applied for years prior to 2017). For Energy, 70% tax rate is used for 2018, 65% for 2017, 60% for 2016 and 55% for prior years. 2018 RoaCE has been restated due to the change in definition.

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

Operating segment information



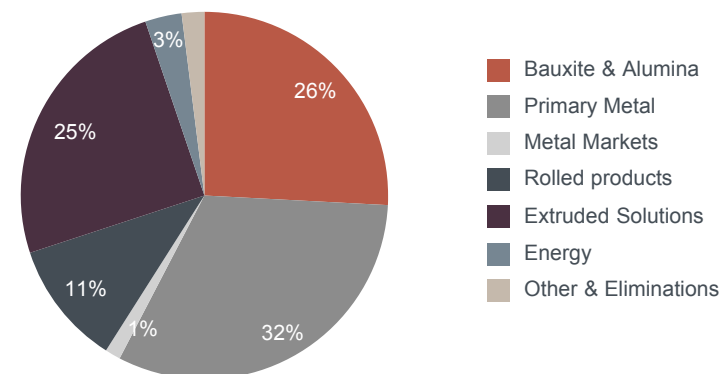
Depreciation, amortization and impairment

| NOK million | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Year 2018 | Year 2019 |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Bauxite & Alumina | 630 | 573 | 509 | 384 | 605 | 589 | 590 | 725 | 567 | 503 | 470 | 2 095 | 2 509 |
| Primary Metal | 546 | 575 | 583 | 548 | 619 | 605 | 616 | 1 191 | 655 | 1 130 | 589 | 2 253 | 3 030 |
| Metal Markets | 24 | 25 | 25 | 26 | 29 | 29 | 33 | 37 | 36 | 37 | 35 | 101 | 129 |
| Rolled Products | 223 | 227 | 231 | 246 | 247 | 251 | 264 | 274 | 290 | 307 | 299 | 927 | 1 036 |
| Extruded Solutions | 421 | 425 | 434 | 443 | 506 | 535 | 639 | 704 | 554 | 2 046 | 597 | 1 723 | 2 384 |
| Energy | 58 | 59 | 61 | 63 | 62 | 62 | 62 | 66 | 65 | 65 | 64 | 239 | 253 |
| Other and Eliminations | 7 | 7 | 7 | 10 | 30 | 34 | 32 | 48 | 33 | (132) | 31 | 30 | 144 |
| Total | 1 909 | 1 891 | 1 851 | 1 719 | 2 098 | 2 105 | 2 236 | 3 045 | 2 199 | 3 956 | 2 085 | 7 369 | 9 485 |

Indicative depreciation currency exposure by business area

| Percent | USD | EUR | BRL | NOK & Other |
|----------------------|-----|-----|------|-------------|
| Bauxite & Alumina | | | 100% | |
| Primary Metal | 20% | 5% | 20% | 55% |
| Metal Markets | 35% | 50% | | 15% |
| Rolled Products | | 90% | | 10% |
| Extruded Solutions | 30% | 40% | | 30% |
| Energy | | | | 100% |
| Other & Eliminations | | 35% | 5% | 60% |

Depreciation by business area 2019, 9.5 BNOK



Income statements



| NOK million | Q3 2020 | Q3 2019 | Q2 2020 | First 9 months 2020 | First 9 months 2019 | Year 2019 |
|--|---------------|----------------|----------------|---------------------|---------------------|----------------|
| Revenue | 33 169 | 37 517 | 30 931 | 102 224 | 114 276 | 149 766 |
| Share of the profit (loss) in equity accounted investments | 24 | 123 | 48 | 68 | 173 | 241 |
| Other income, net | 661 | 268 | 695 | 1 830 | 590 | 1 000 |
| Total revenue and income | 33 854 | 37 908 | 31 675 | 104 122 | 115 040 | 151 007 |
| Raw material and energy expense | 20 236 | 24 090 | 19 527 | 62 911 | 75 146 | 97 474 |
| Employee benefit expense | 5 609 | 6 728 | 5 906 | 17 876 | 18 943 | 24 871 |
| Depreciation and amortization expense | 2 010 | 2 142 | 2 127 | 6 324 | 6 314 | 8 572 |
| Impairment of non-current assets | 75 | 95 | 1 829 | 1 916 | 126 | 912 |
| Other expenses | 4 102 | 4 632 | 3 946 | 12 633 | 13 613 | 18 678 |
| Earnings before financial items and tax (EBIT) | 1 822 | 222 | (1 661) | 2 462 | 898 | 499 |
| Financial income | 66 | 72 | 89 | 189 | 225 | 365 |
| Financial expense | (1 853) | (1 700) | 444 | (6 268) | (2 512) | (2 420) |
| Income (loss) before tax | 35 | (1 407) | (1 129) | (3 617) | (1 389) | (1 556) |
| Income taxes | (256) | 16 | (342) | (100) | (316) | (813) |
| Net income (loss) | (221) | (1 390) | (1 471) | (3 717) | (1 705) | (2 370) |
| Net income (loss) attributable to non-controlling interests | - | (131) | (223) | (437) | (370) | (558) |
| Net income (loss) attributable to Hydro shareholders | (222) | (1 259) | (1 248) | (3 280) | (1 335) | (1 811) |
| Earnings per share attributable to Hydro shareholders | (0.11) | (0.62) | (0.61) | (1.60) | (0.65) | (0.88) |

| NOK million | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Year 2017 | Year 2018 | Year 2019 |
|--------------------------------------|--------------|--------------|--------------|---------------|-------------|-------------|-------------|---------------|--------------|-------------|-------------|--------------|--------------|-------------|
| Net income (loss) | 2 076 | 2 073 | 925 | (750) | (124) | (190) | (1 390) | (665) | (2 025) | (1 471) | (221) | 9 184 | 4 323 | (2 370) |
| Underlying net income (loss) | 2 201 | 2 096 | 1 696 | (175) | 124 | 281 | 606 | (303) | 1 151 | 183 | 550 | 8 396 | 5 819 | 708 |
| Earnings per share | 1.02 | 1.03 | 0.37 | (0.34) | 0 | (0.04) | (0.62) | (0.23) | (0.88) | (0.61) | (0.11) | 4.30 | 2.08 | (0.88) |
| Underlying earnings per share | 1.06 | 1.02 | 0.74 | (0.06) | 0.13 | 0.19 | 0.33 | (0.12) | 0.55 | 0.10 | 0.26 | 3.95 | 2.75 | 0.52 |

Balance sheet



| NOK million | Sep 30, 2020 | Jun 30, 2020 | Mar 31, 2020 | Dec 31, 2019 | Sep 30, 2019 | Jun 30, 2019 | Mar 31, 2019 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Cash and cash equivalents | 17 495 | 15 385 | 12 160 | 12 286 | 10 581 | 10 590 | 6 099 |
| Short-term investments | 5 399 | 5 110 | 1 641 | 969 | 929 | 1 090 | 1 274 |
| Trade and other receivables | 20 268 | 18 916 | 24 539 | 18 959 | 23 007 | 23 186 | 23 542 |
| Inventories | 19 288 | 20 382 | 22 464 | 20 816 | 21 679 | 22 718 | 25 004 |
| Other current financial assets | 553 | 687 | 1 119 | 635 | 700 | 471 | 349 |
| Property, plant and equipment | 68 657 | 70 478 | 77 909 | 74 243 | 74 025 | 73 193 | 72 882 |
| Intangible assets | 9 903 | 10 262 | 12 649 | 11 501 | 11 695 | 11 485 | 11 133 |
| Investments accounted for using the equity method | 12 048 | 12 619 | 13 845 | 11 501 | 11 809 | 10 936 | 11 349 |
| Prepaid pension | 5 959 | 5 603 | 5 242 | 6 676 | 5 721 | 5 986 | 5 854 |
| Other non-current assets | 6 295 | 6 704 | 7 663 | 6 815 | 6 877 | 7 322 | 7 157 |
| Total assets | 165 865 | 166 145 | 179 232 | 164 401 | 167 025 | 166 978 | 164 644 |
| Bank loans and other interest-bearing short-term debt | 6 915 | 7 094 | 7 728 | 6 157 | 6 074 | 8 177 | 8 913 |
| Trade and other payables | 17 865 | 16 693 | 21 558 | 18 692 | 19 716 | 21 014 | 22 146 |
| Other current liabilities | 3 660 | 3 721 | 4 771 | 4 842 | 4 095 | 3 688 | 4 674 |
| Long-term debt | 25 873 | 26 595 | 21 290 | 18 858 | 19 985 | 18 620 | 10 559 |
| Provisions | 6 144 | 6 283 | 6 892 | 6 515 | 6 283 | 5 577 | 5 673 |
| Pension liabilities | 19 679 | 18 933 | 19 893 | 17 099 | 17 879 | 16 646 | 15 981 |
| Deferred tax liabilities | 2 620 | 2 562 | 2 838 | 3 132 | 2 911 | 3 123 | 3 052 |
| Other non-current liabilities | 6 215 | 5 401 | 7 089 | 5 025 | 5 435 | 4 536 | 4 252 |
| Equity attributable to Hydro shareholders | 73 833 | 75 633 | 83 213 | 79 932 | 80 275 | 81 143 | 84 692 |
| Non-controlling interests | 3 062 | 3 230 | 3 959 | 4 148 | 4 371 | 4 452 | 4 703 |
| Total liabilities and equity | 165 865 | 166 145 | 179 232 | 164 401 | 167 025 | 166 978 | 164 644 |

Operational data



| Bauxite & Alumina | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Year 2018 | Year 2019 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|
| Alumina production (kmt) | 1 277 | 829 | 821 | 786 | 805 | 932 | 1 320 | 1 430 | 1 531 | 1 442 | 1 074 | 3 712 | 4 487 |
| Sourced alumina (kmt) | 900 | 985 | 907 | 1 163 | 711 | 704 | 660 | 769 | 664 | 667 | 940 | 3 954 | 2 845 |
| Total alumina sales (kmt) | 2 071 | 1 842 | 1 711 | 1 983 | 1 423 | 1 668 | 2 124 | 2 164 | 2 140 | 2 243 | 1 990 | 7 607 | 7 379 |
| Realized alumina price (USD) ¹⁾ | 371 | 430 | 460 | 463 | 373 | 365 | 310 | 281 | 278 | 261 | 260 | 429 | 326 |
| Implied alumina cost (USD) ²⁾ | 287 | 367 | 376 | 409 | 311 | 296 | 253 | 255 | 226 | 192 | 228 | 358 | 275 |
| Bauxite production (kmt) ³⁾ | 2 326 | 1 348 | 1 286 | 1 254 | 1 361 | 1 624 | 2 152 | 2 222 | 2 585 | 2 332 | 1 167 | 6 214 | 7 360 |
| Sourced bauxite (kmt) ⁴⁾ | 1 317 | 1 250 | 905 | 1 730 | 1 029 | 1 315 | 1 563 | 1 669 | 1 514 | 1 315 | 2 051 | 5 202 | 5 576 |
| Underlying EBITDA margin ¹¹⁾ | 21.7% | 13.6% | 17.7% | 10.2% | 15.6% | 17.5% | 17.2% | 8.4% | 18.3% | 25.1% | 10.8% | 15.3% | 14.6% |

| Primary Metal ⁵⁾ | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Year 2018 | Year 2019 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-----------|-----------|
| Realized aluminium price LME, USD/mt | 2 140 | 2 183 | 2 194 | 2 041 | 1 912 | 1 858 | 1 784 | 1 754 | 1 758 | 1 579 | 1 596 | 2 140 | 1 827 |
| Realized aluminium price LME, NOK/mt ⁷⁾ | 16 929 | 17 292 | 17 905 | 17 038 | 16 291 | 15 959 | 15 732 | 15 913 | 16 658 | 15 689 | 14 712 | 17 282 | 15 975 |
| Realized premium above LME, USD/mt ⁶⁾ | 295 | 364 | 367 | 362 | 344 | 326 | 305 | 257 | 234 | 212 | 211 | 346 | 308 |
| Realized premium above LME, NOK/mt ⁶⁾⁷⁾ | 2 335 | 2 881 | 2 999 | 3 025 | 2 935 | 2 802 | 2 688 | 2 333 | 2 212 | 2 106 | 1 946 | 2 791 | 2 695 |
| Realized NOK/USD exchange rate ⁷⁾ | 7.91 | 7.92 | 8.16 | 8.35 | 8.52 | 8.59 | 8.82 | 9.07 | 9.47 | 9.93 | 9.22 | 8.08 | 8.74 |
| Implied primary cost (USD) ⁸⁾ | 1 725 | 1 775 | 1 750 | 2 000 | 1 850 | 1 775 | 1 600 | 1 525 | 1 450 | 1 400 | 1 450 | 1 825 | 1 675 |
| Implied all-in primary cost (USD) ⁹⁾ | 2 075 | 2 175 | 2 150 | 2 350 | 2 200 | 2 100 | 1 900 | 1 775 | 1 700 | 1 600 | 1 650 | 2 175 | 2 000 |
| Primary aluminium production, kmt | 514 | 492 | 497 | 490 | 485 | 486 | 522 | 545 | 528 | 509 | 522 | 1 993 | 2 038 |
| Casthouse production, kmt | 531 | 523 | 507 | 496 | 473 | 477 | 509 | 523 | 504 | 478 | 508 | 2 058 | 1 982 |
| Total sales, kmt ¹⁰⁾ | 578 | 549 | 516 | 503 | 534 | 527 | 537 | 529 | 577 | 510 | 548 | 2 145 | 2 127 |
| Underlying EBITDA margin ¹¹⁾ | 13.3% | 13.0% | 14.3% | (1.9)% | (2.0)% | (0.3)% | 6.3% | 9.6% | 12.3% | 7.2% | 4.9% | 9.9% | 3.3% |

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 Primary Metal.

7) Including strategic hedges /hedge accounting applied

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

9) Realized all-in price minus Underlying 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) Underlying EBITDA divided by total revenues

Operational data



| Metal Markets | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Year 2018 | Year 2019 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
| Remelt production (1 000 mt) | 150 | 153 | 126 | 135 | 131 | 139 | 125 | 121 | 137 | 88 | 124 | 563 | 516 |
| Third-party Metal Products sales (1 000 mt) | 70 | 77 | 83 | 73 | 70 | 83 | 82 | 82 | 79 | 85 | 85 | 304 | 317 |
| Metal Products sales excl. ingot trading (1 000 mt) ¹⁾ | 745 | 746 | 685 | 682 | 683 | 707 | 662 | 648 | 675 | 606 | 642 | 2 859 | 2 700 |
| Hereof external sales excl. ingot trading (1 000 mt) | 580 | 563 | 543 | 532 | 539 | 556 | 517 | 536 | 554 | 459 | 526 | 2 217 | 2 149 |
| External revenue (NOK million) | 10 901 | 10 905 | 10 575 | 10 121 | 10 139 | 10 577 | 9 742 | 9 706 | 10 353 | 8 510 | 9 242 | 42 502 | 40 164 |
| Rolled Products | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Year 2018 | Year 2019 |
| Rolled Products external shipments (1 000 mt) | 245 | 251 | 235 | 220 | 246 | 242 | 245 | 219 | 236 | 198 | 212 | 951 | 952 |
| Rolled Products – Underlying EBIT per mt, NOK | 949 | 844 | 349 | (512) | 560 | 309 | 678 | 156 | 1 266 | (289) | 78 | 435 | 434 |
| Underlying EBITDA margin ²⁾ | 6.7% | 6.1% | 4.6% | 2.1% | 5.6% | 4.9% | 6.4% | 5.0% | 8.9% | 4.4% | 5.6% | 5.0% | 5.5% |
| Extruded Solutions | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Year 2018 | Year 2019 |
| Extruded Solutions external shipments (1 000 mt) | 362 | 373 | 343 | 318 | 333 | 348 | 316 | 272 | 305 | 224 | 278 | 1 396 | 1 269 |
| Extruded Solutions – Pro-forma underlying EBIT per mt, NOK | 2 028 | 2 566 | 1 449 | 635 | 1 781 | 2 219 | 1 769 | 311 | 2 301 | 398 | 3 214 | 1 712 | 1 583 |
| Underlying EBITDA margin ²⁾ | 7.3% | 8.1% | 5.8% | 4.2% | 6.9% | 7.4% | 7.2% | 4.7% | 8.2% | 5.6% | 10.6% | 6.4% | 6.6% |
| Energy | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Year 2018 | Year 2019 |
| Power production, GWh | 2 433 | 2 550 | 2 888 | 2 822 | 2 553 | 1 993 | 2 273 | 2 332 | 2 868 | 2 097 | 3 161 | 10 693 | 9 150 |
| Net spot sales, GWh | 763 | 961 | 1 315 | 1 166 | 770 | 289 | 582 | 520 | 1 169 | 444 | 1 401 | 4 204 | 2 161 |
| Nordic spot electricity price, NOK/MWh | 372 | 373 | 484 | 460 | 457 | 346 | 342 | 390 | 158 | 62 | 95 | 423 | 384 |
| Southern Norway spot electricity price (NO2), NOK/MWh | 361 | 369 | 475 | 455 | 468 | 360 | 328 | 392 | 154 | 50 | 52 | 415 | 387 |
| Underlying EBITDA margin ²⁾ | 19.2% | 22.2% | 28.8% | 24.9% | 25.8% | 13.4% | 16.0% | 16.9% | 23.9% | 8.5% | 13.0% | 24.2% | 18.4% |

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

2) Underlying EBITDA divided by total revenues

Extruded Solutions, information by business area



| Precision Tubing | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | 2019 | Q1 2020 | Q2 2020 | Q3 2020 |
|---------------------------|---------|---------|---------|---------|-------|---------|---------|---------|---------|-------|---------|---------|---------|
| Volume (kmt) | 37 | 41 | 41 | 38 | 157 | 34 | 36 | 34 | 31 | 134 | 29 | 17 | 28 |
| Operating revenues (NOKm) | 1 700 | 1 910 | 1 873 | 1 722 | 7 205 | 1 623 | 1 788 | 1 540 | 1 532 | 6 482 | 1 487 | 931 | 1 360 |
| Underlying EBITDA (NOKm) | 168 | 120 | 121 | 98 | 507 | 86 | 146 | 140 | 84 | 456 | 118 | 139 | 167 |
| Underlying EBIT (NOKm) | 103 | 55 | 50 | 30 | 237 | 18 | 87 | 74 | 19 | 198 | 57 | 74 | 113 |

| Building Systems | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | 2019 | Q1 2020 | Q2 2020 | Q3 2020 |
|---------------------------|---------|---------|---------|---------|-------|---------|---------|---------|---------|-------|---------|---------|---------|
| Volume (kmt) | 20 | 21 | 18 | 19 | 78 | 18 | 22 | 19 | 20 | 79 | 19 | 17 | 19 |
| Operating revenues (NOKm) | 2 057 | 2 124 | 1 919 | 2 045 | 8 145 | 1 973 | 2 328 | 2 104 | 2 148 | 8 554 | 2 199 | 1 991 | 2 032 |
| Underlying EBITDA (NOKm) | 167 | 198 | 130 | 155 | 650 | 104 | 233 | 189 | 148 | 674 | 156 | 206 | 260 |
| Underlying EBIT (NOKm) | 116 | 146 | 70 | 99 | 430 | 22 | 143 | 79 | 47 | 291 | 52 | 101 | 155 |

| Other and eliminations | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | 2019 | Q1 2020 | Q2 2020 | Q3 2020 |
|--------------------------|---------|---------|---------|---------|-------|---------|---------|---------|---------|-------|---------|---------|---------|
| Underlying EBITDA (NOKm) | (45) | (46) | (21) | (118) | (230) | (56) | (96) | 24 | 9 | (118) | (79) | (48) | (58) |
| Underlying EBIT (NOKm) | (55) | (58) | (35) | (130) | (278) | (58) | (99) | 21 | 3 | (132) | (82) | (52) | (61) |

| Extrusion Europe | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | 2019 | Q1 2020 | Q2 2020 | Q3 2020 |
|---------------------------|---------|---------|---------|---------|--------|---------|---------|---------|---------|--------|---------|---------|---------|
| Volume (kmt) | 159 | 160 | 138 | 129 | 586 | 139 | 142 | 120 | 106 | 503 | 127 | 94 | 113 |
| Operating revenues (NOKm) | 6 600 | 6 664 | 5 867 | 5 719 | 24 850 | 6 328 | 6 461 | 5 579 | 5 027 | 23 395 | 5 804 | 4 440 | 5 068 |
| Underlying EBITDA (NOKm) | 417 | 504 | 263 | 201 | 1 385 | 346 | 348 | 215 | 203 | 1 111 | 436 | 142 | 478 |
| Underlying EBIT (NOKm) | 246 | 333 | 98 | 27 | 705 | 141 | 144 | 6 | (25) | 266 | 228 | (75) | 283 |

| Extrusion North America | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | 2018 | Q1 2019 | Q2 2019 | Q3 2019 | Q4 2019 | 2019 | Q1 2020 | Q2 2020 | Q3 2020 |
|---------------------------|---------|---------|---------|---------|--------|---------|---------|---------|---------|--------|---------|---------|---------|
| Volume (kmt) | 152 | 157 | 152 | 137 | 598 | 146 | 148 | 142 | 116 | 553 | 130 | 96 | 119 |
| Operating revenues (NOKm) | 5 882 | 6 519 | 6 541 | 6 091 | 25 033 | 6 306 | 7 053 | 6 267 | 5 335 | 24 961 | 5 885 | 4 554 | 5 067 |
| Underlying EBITDA (NOKm) | 448 | 606 | 439 | 310 | 1 802 | 619 | 648 | 532 | 211 | 2 082 | 599 | 220 | 563 |
| Underlying EBIT (NOKm) | 325 | 481 | 314 | 176 | 1 295 | 469 | 498 | 378 | 40 | 1 385 | 435 | 49 | 402 |

1) Includes certain effects of the acquisition such as increased depreciation and amortization following fair value adjustments related to long-lived assets. Estimate increased depreciation of around MNOK 300 per annum for Extruded Solutions vs "old Sapa".

Next events

Capital Markets Day December 10, 2020

For more information see
www.hydro.com/ir

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Hydro

We are aluminium

