



Third quarter 2020 Presentation

October 23, 2020





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

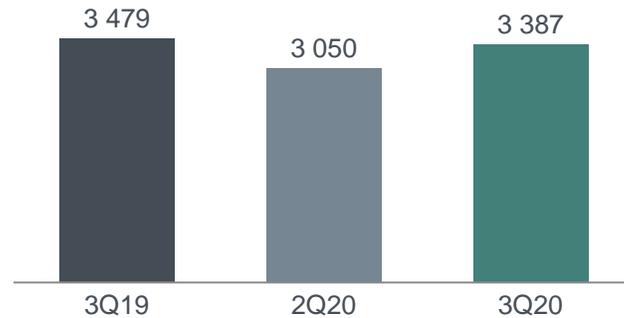
Positive developments in EU regulatory frameworks



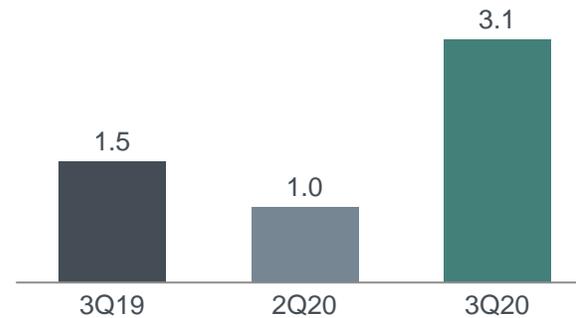
Key performance metrics | Q3



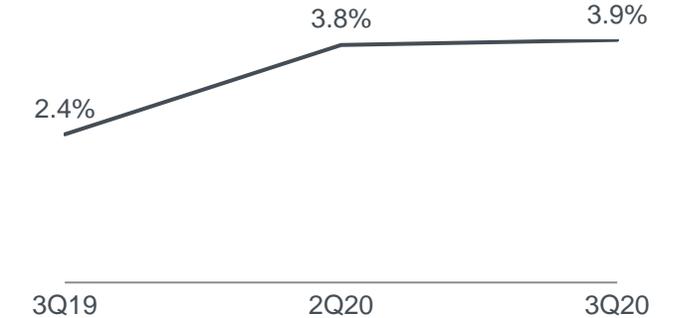
Underlying EBITDA
(NOK million)



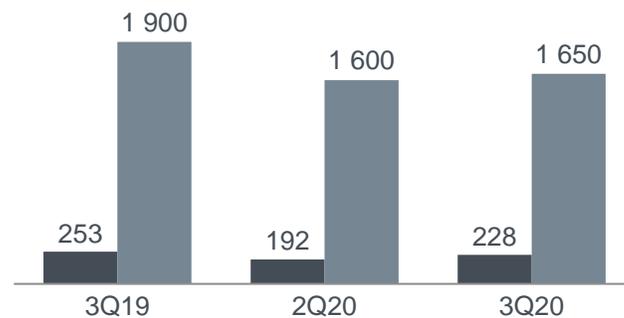
Free cash flow
(NOK billion)



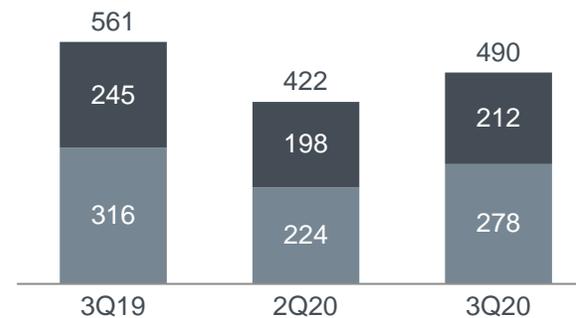
RoaCE
(12-month rolling %)



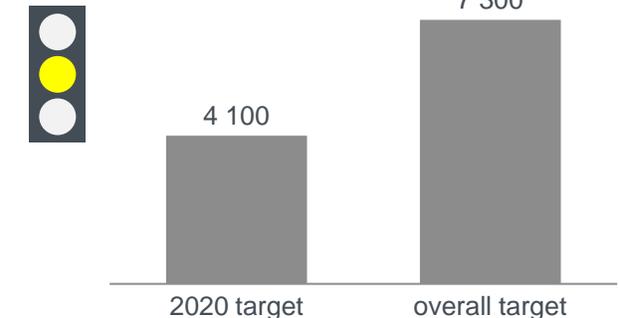
Upstream costs^{1,2)}
(USD per tonne)



Downstream volumes
(tonnes 000s)



Improvement program status
(NOK millions)



■ Bauxite & Alumina
■ Primary Metals

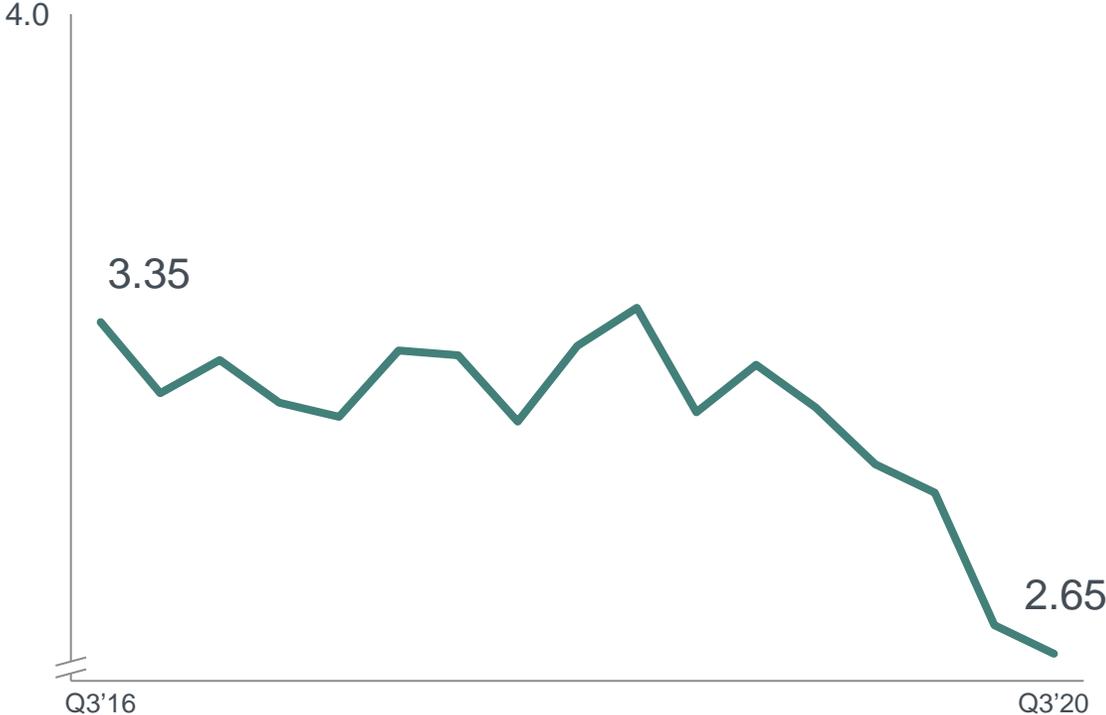
■ Rolled Products
■ Extruded Solutions

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

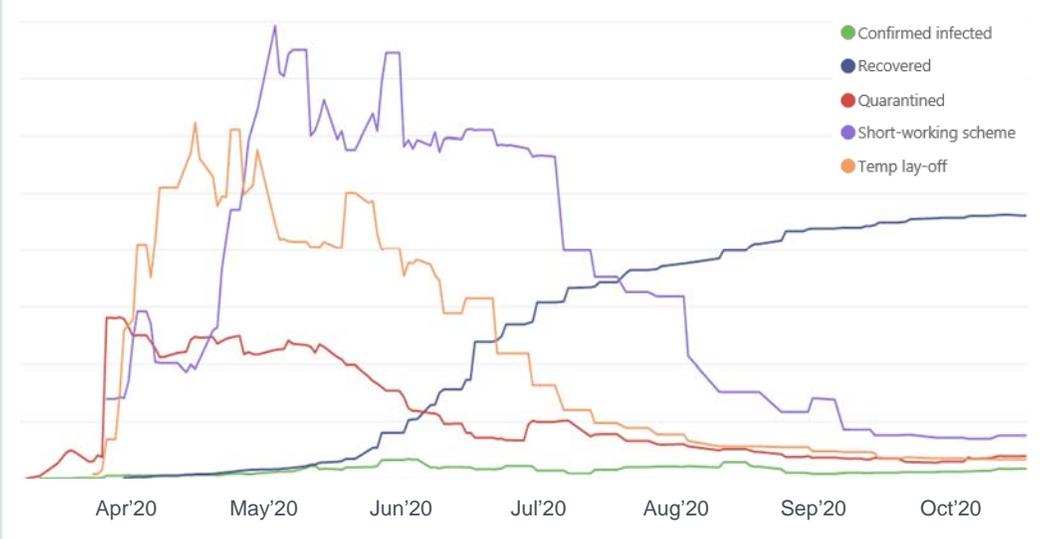
TRI per million hours worked (12-month rolling) ¹⁾



1) TRI includes own employees and contractors



Employees returning to operations

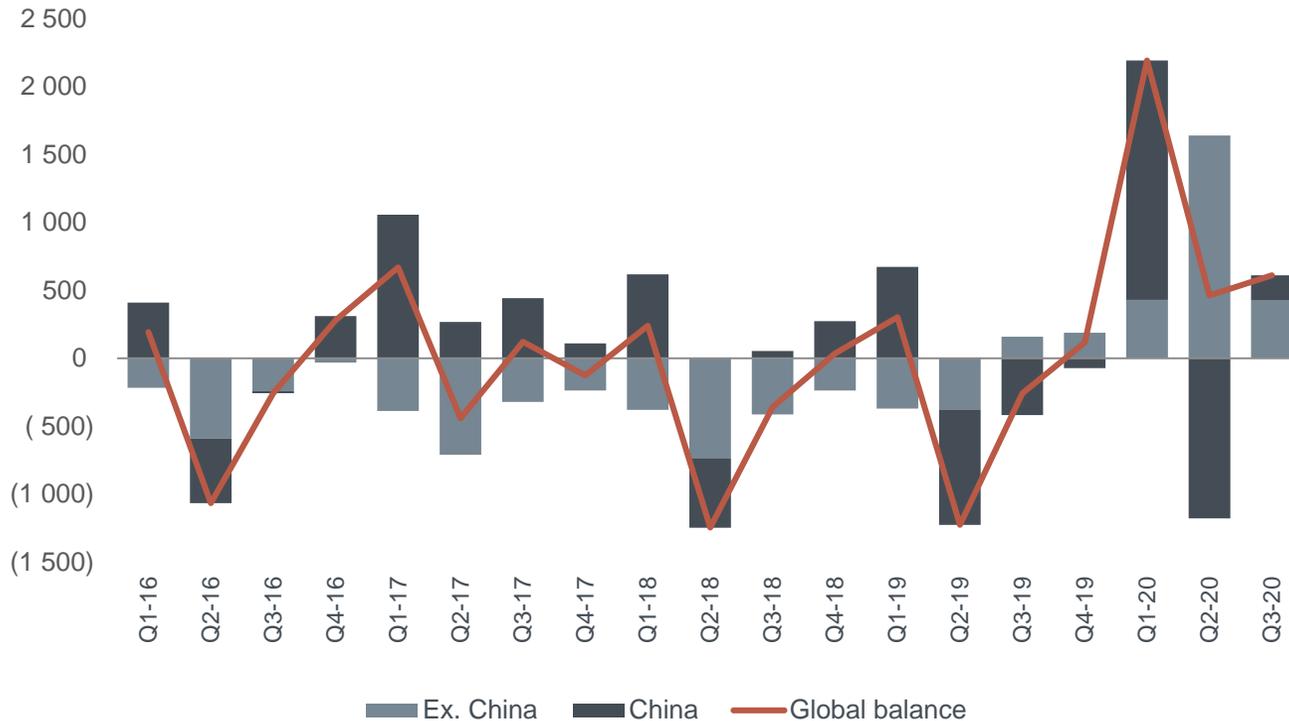


Aluminium surplus lower than earlier forecasted

Global recovery reducing over-supply

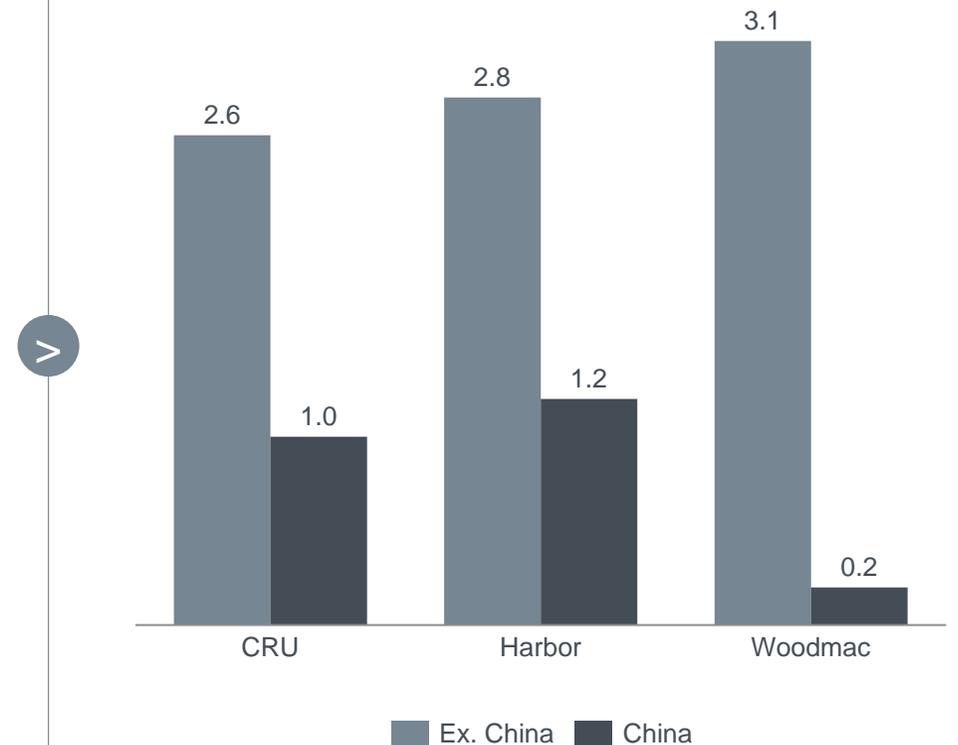
Quarterly market balances, world ex. China and China

Thousand tonnes, primary aluminium



Estimates global balance 2020

Million tonnes, primary aluminium



Extruded Solutions volumes down in Q3, market recovering



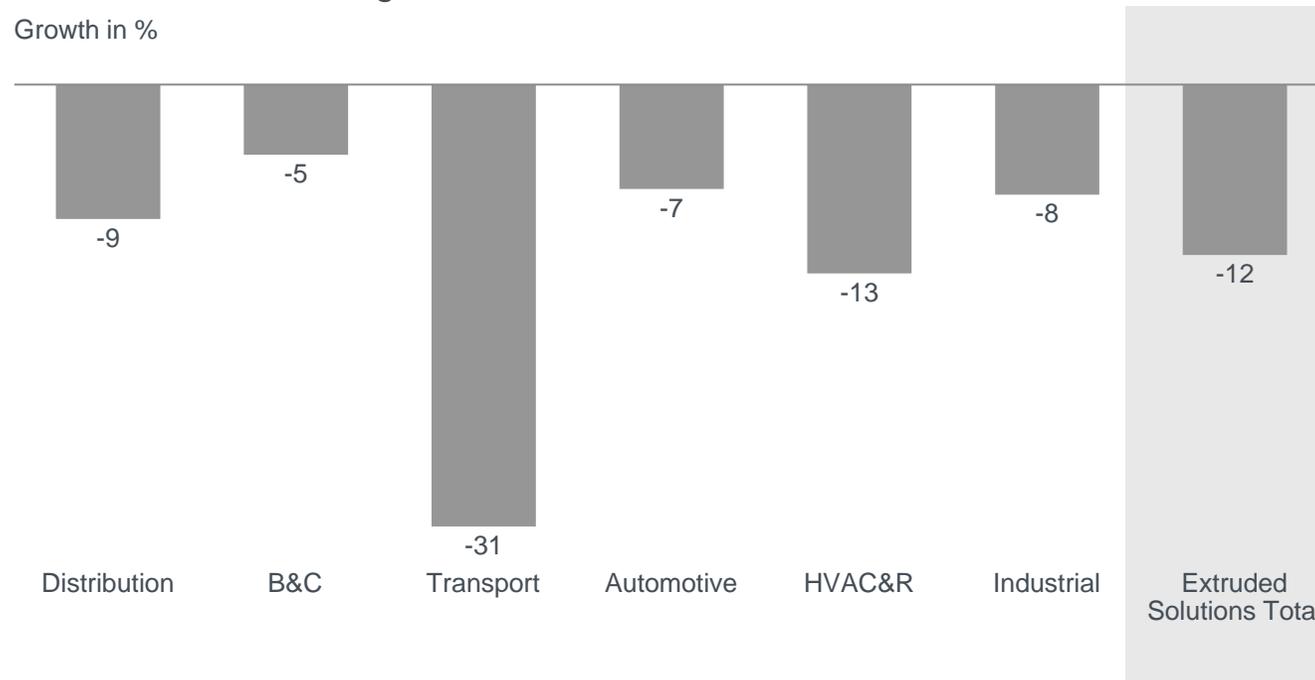
Market performing better than forecasted at Q2

Internal sales volumes - actual

Q3 2020 vs Q3 2019

Extruded Solutions segment sales volume

Growth in %

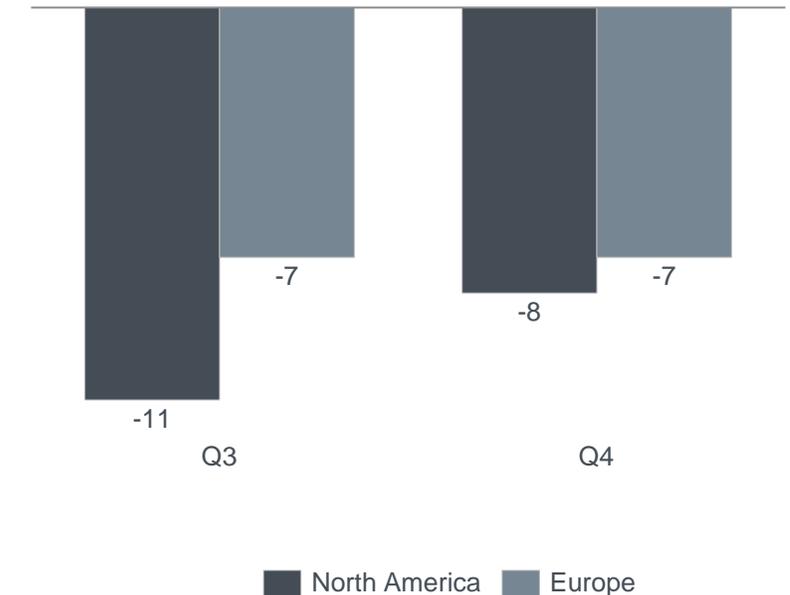


External market forecasts

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



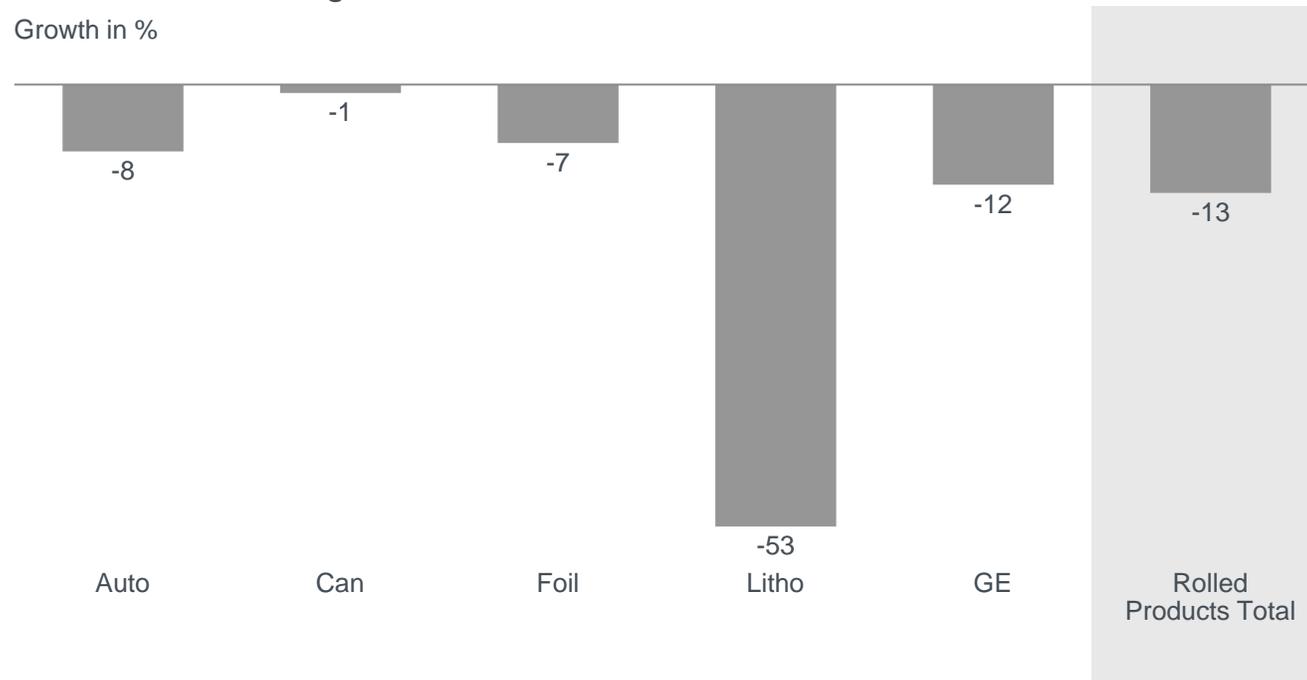
Q3 Market performed in line with forecast at Q2

Internal sales volumes - actual

Q3 2020 vs Q3 2019

Rolled Products segment sales volume

Growth in %

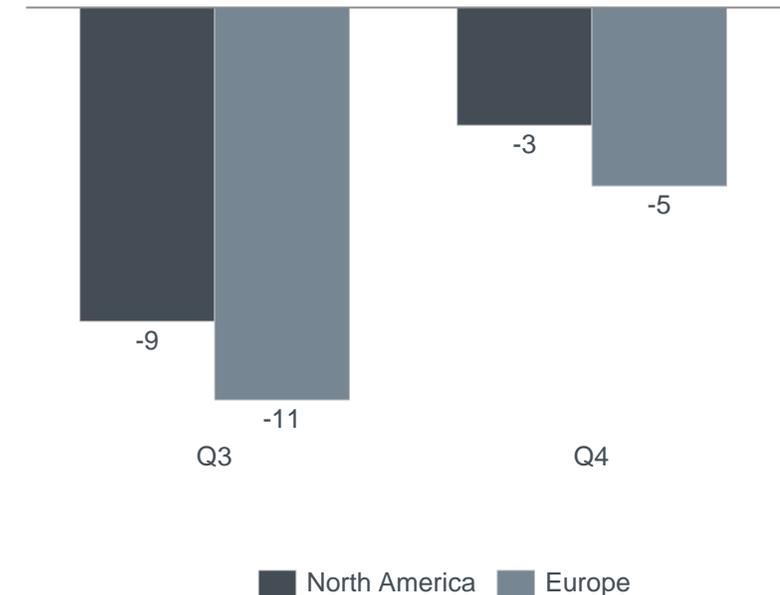


External market forecasts

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

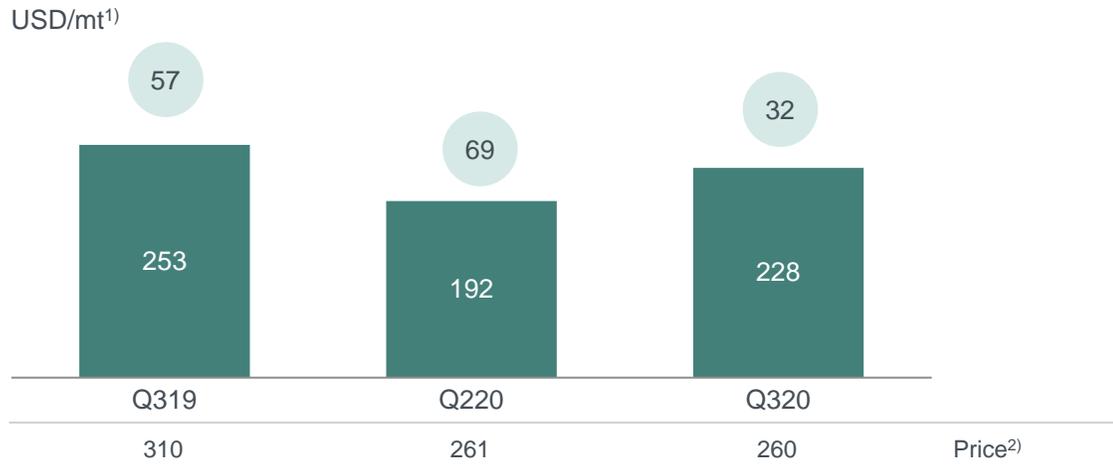


Lower margins upstream in Q3



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

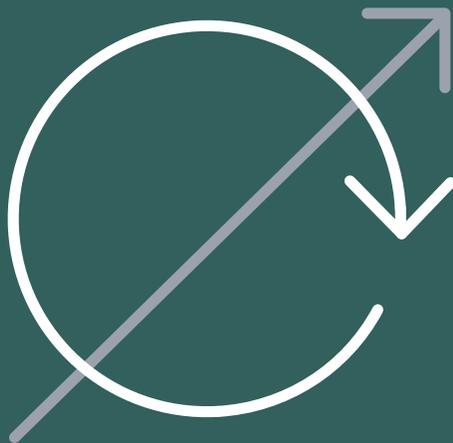


- European Commission has announced provisional anti-dumping duties on Chinese extrusion imports
- EU imports from China rose from 600 thousand tonnes in 2011 to 1.1 million tones in 2019, representing 6% market share
 - YTD 2020 extrusion volumes from China down 30%
- European Commission has opened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





Financial update

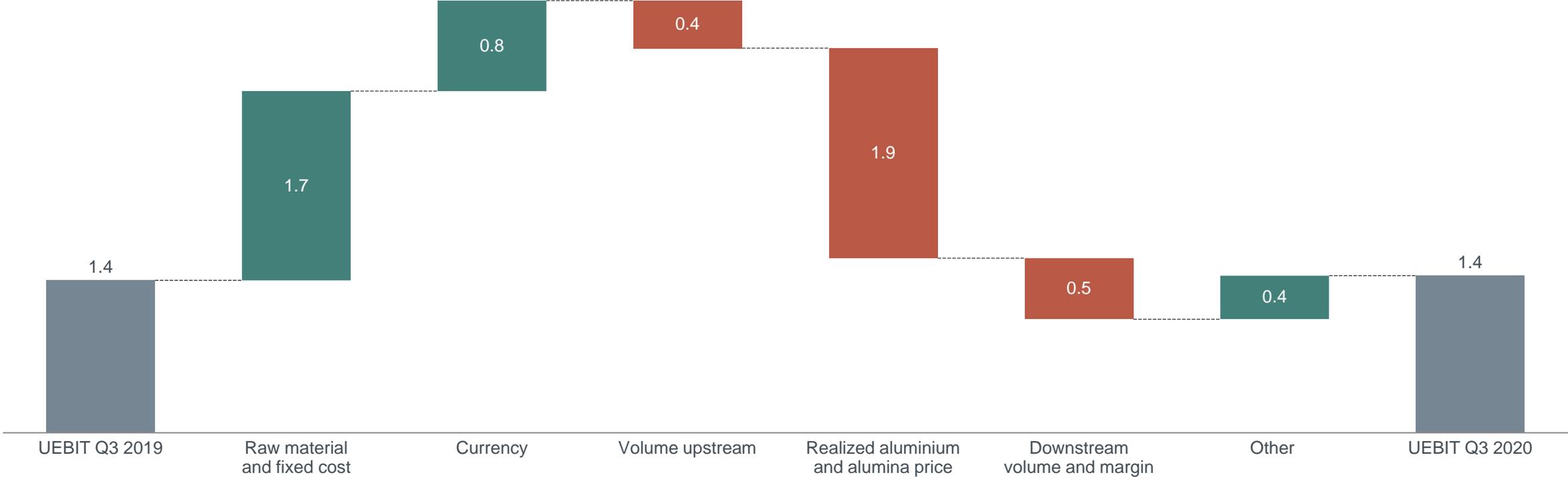
Pål Kildemo,
Executive Vice President and CFO

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



Q3 2020 vs Q3 2019

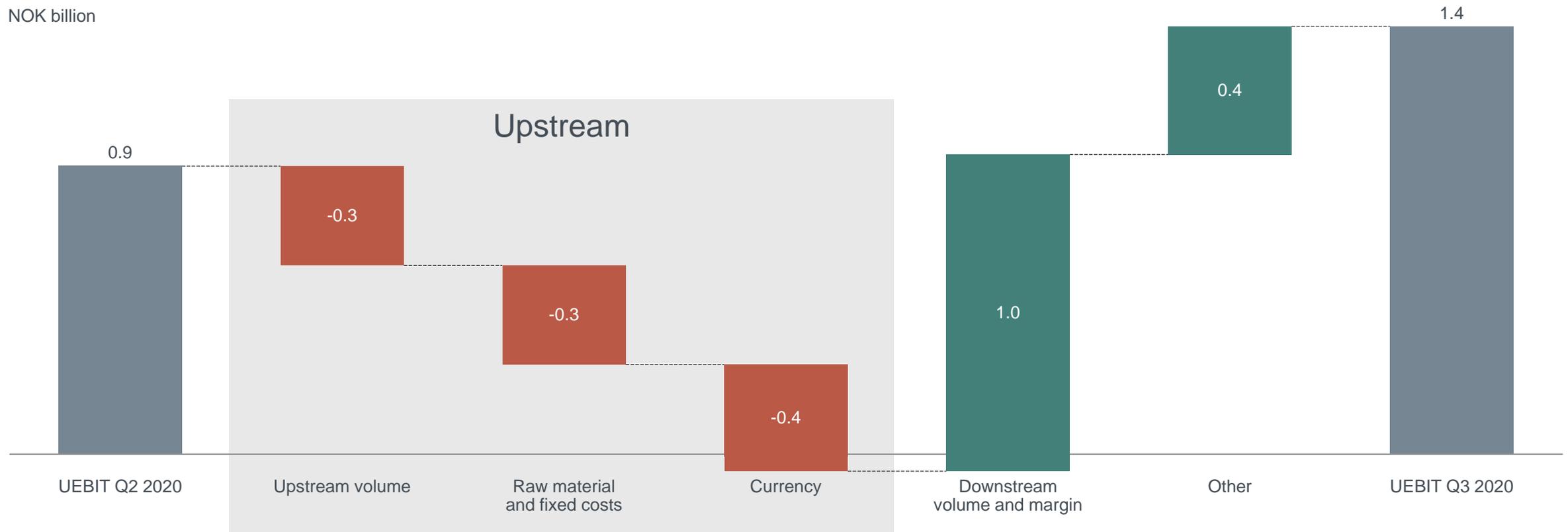
NOK billion



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

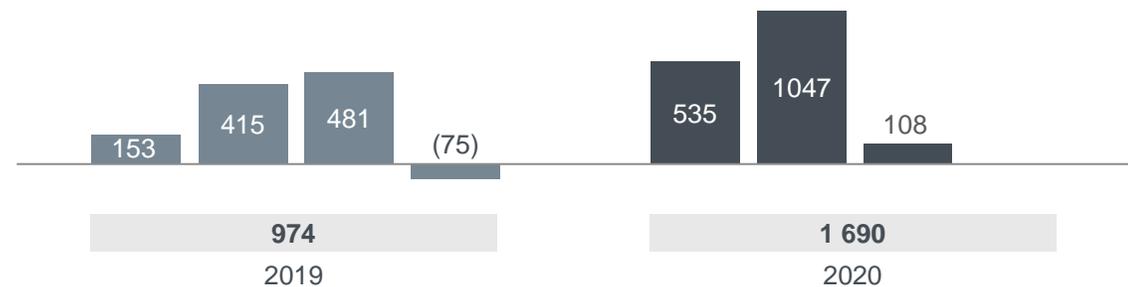
Bauxite & Alumina

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

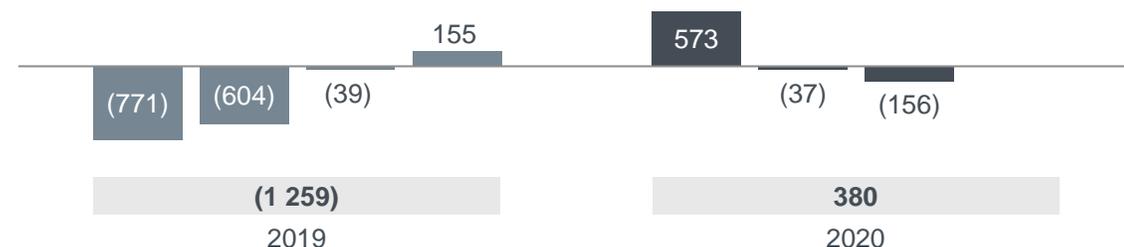
Primary Metal

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 mt³⁾
- ~ 53% of premiums affecting Q4 booked at USD ~260 per mt³⁾
 - 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

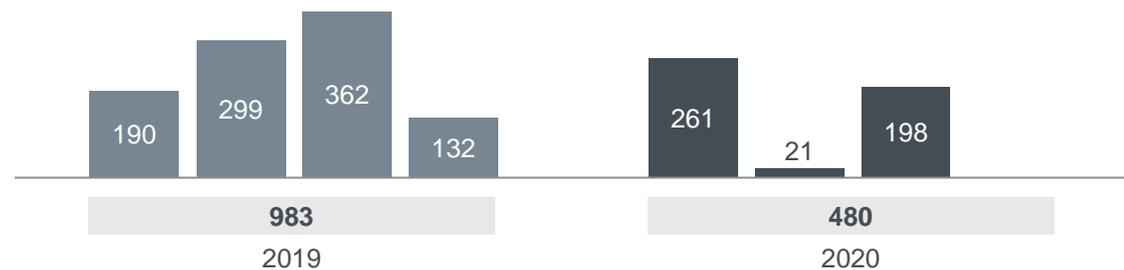
Metal Markets

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

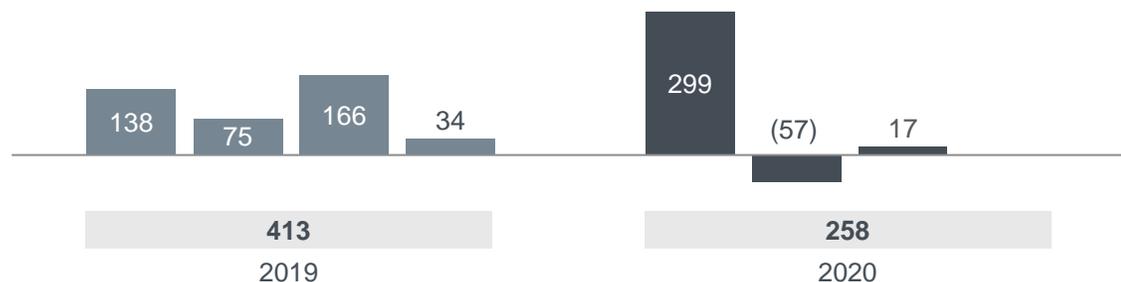
Rolled Products

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

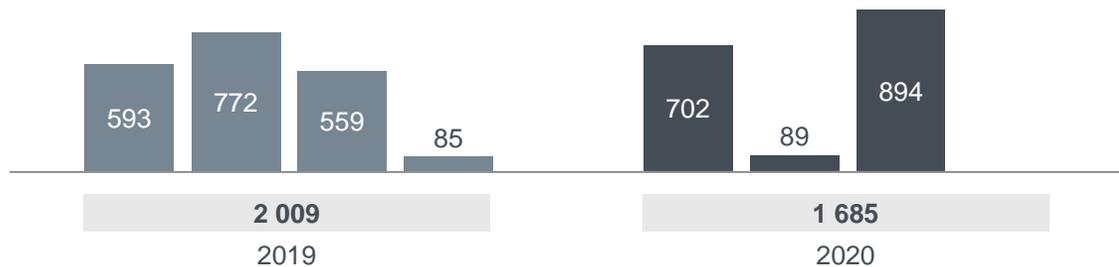
Extruded Solutions

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

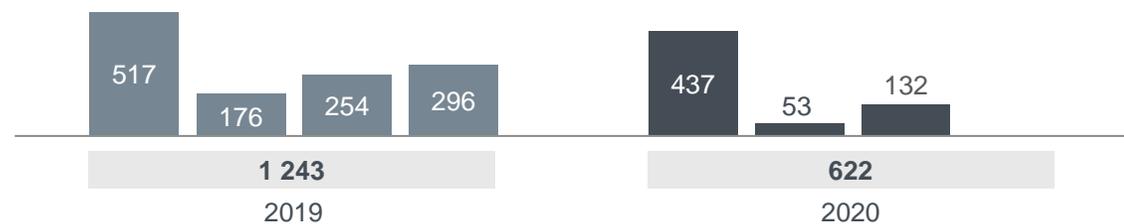
Energy

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



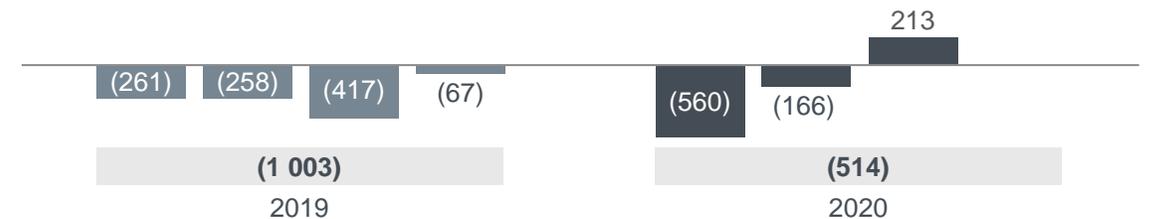
Other and Eliminations

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

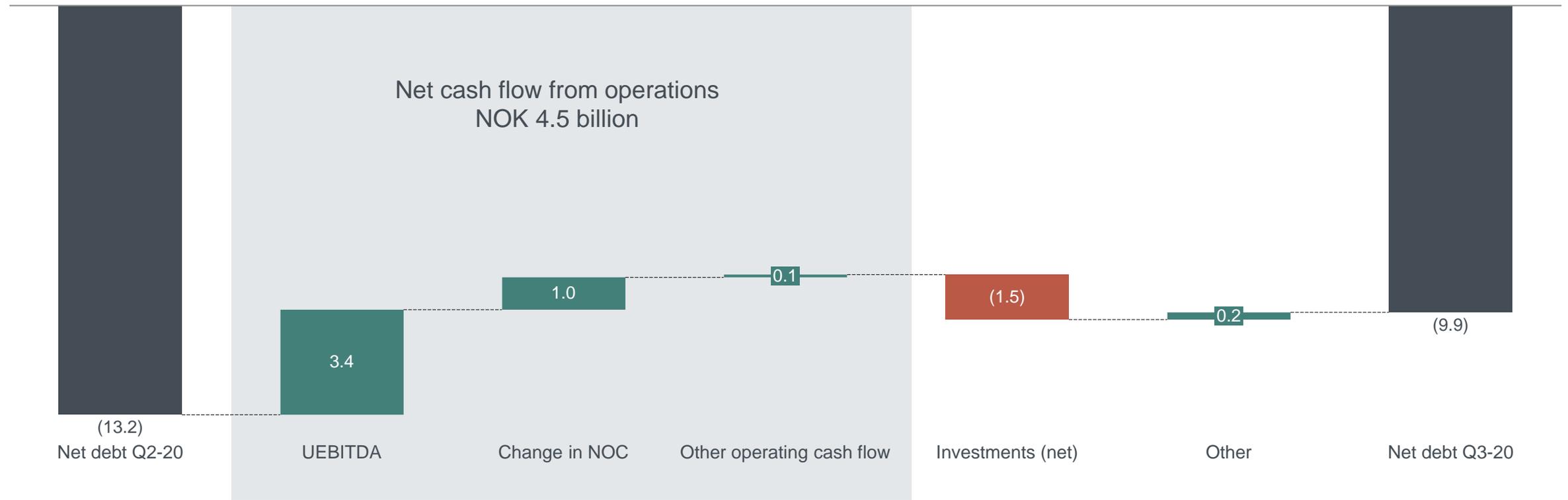


Net debt improvement in Q3



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

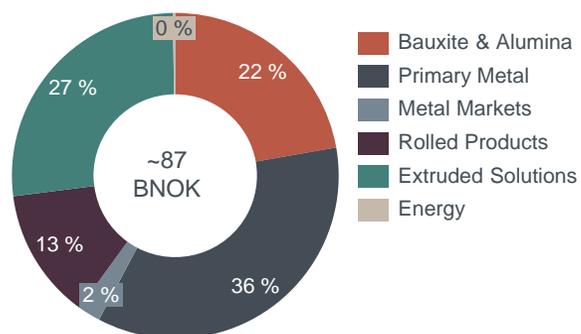
- B&A BRLUSD Hedge
 - USD 383 million sold forward for 2021 and 2022 at average rate of 5.53 BRL/USD
 - USD 194 million 2021 at rate 5.46
 - USD 189 million 2022 at rate 5.61
 - Aim to reduce volatility and uncertainty in Alunorte cash flows
 - Current USDBRL level support a robust cost curve position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

Cautionary note



Certain statements included in this announcement contain forward-looking information, including, without limitation, information relating to (a) forecasts, projections and estimates, (b) statements of Hydro management concerning plans, objectives and strategies, such as planned expansions, investments, divestments, curtailments or other projects, (c) targeted production volumes and costs, capacities or rates, start-up costs, cost reductions and profit objectives, (d) various expectations about future developments in Hydro's markets, particularly prices, supply and demand and competition, (e) results of operations, (f) margins, (g) growth rates, (h) risk management, and (i) qualified statements such as "expected", "scheduled", "targeted", "planned", "proposed", "intended" or similar.

Although we believe that the expectations reflected in such forward-looking statements are reasonable, these forward-looking statements are based on a number of assumptions and forecasts that, by their nature, involve risk and uncertainty. Various factors could cause our actual results to differ materially from those projected in a forward-looking statement or affect the extent to which a particular projection is realized. Factors that could cause these differences include, but are not limited to: our continued ability to reposition and restructure our upstream and downstream businesses; changes in availability and cost of energy and raw materials; global supply and demand for aluminium and aluminium products; world economic growth, including rates of inflation and industrial production; changes in the relative value of currencies and the value of commodity contracts; trends in Hydro's key markets and competition; and legislative, regulatory and political factors.

No assurance can be given that such expectations will prove to have been correct. Hydro disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Additional information

Driving long-term shareholder value

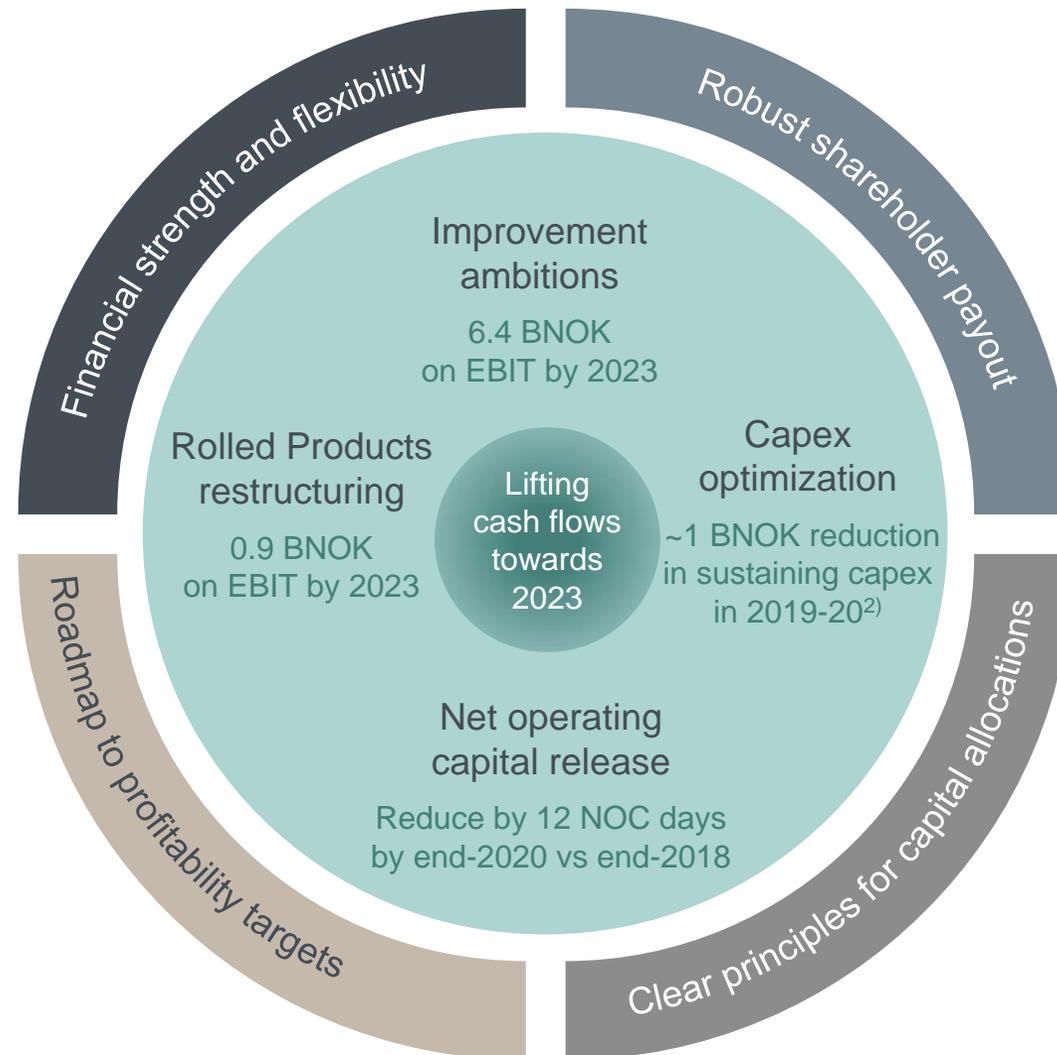
Financial ambitions and targets

Financial strength and flexibility

- Maintain investment grade credit rating
 - 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

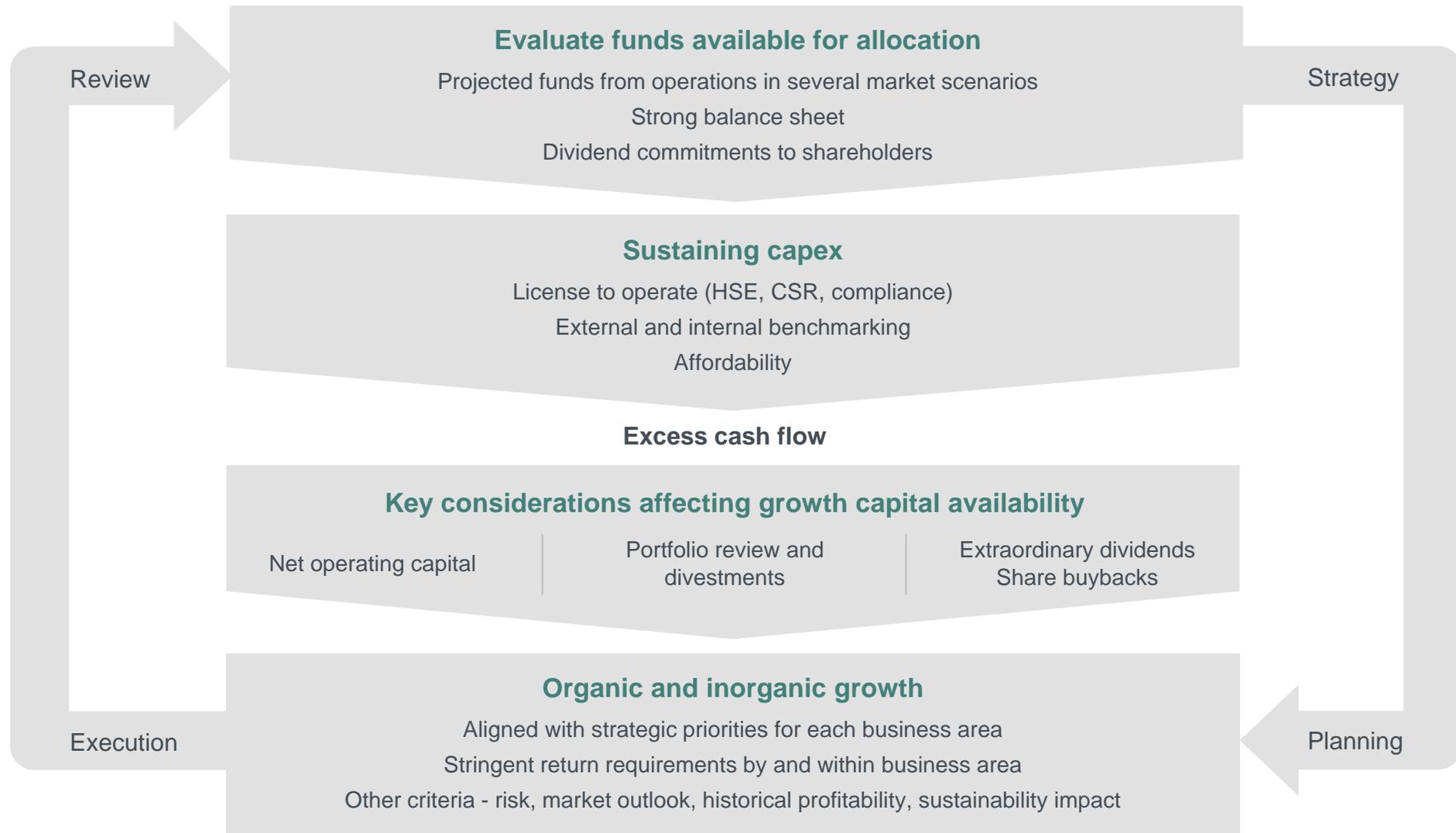
- 40% payout ratio of Net Income over the cycle
- Dividend floor of 1.25 NOK/share
- Supplementary share buybacks or extraordinary dividends

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

Hedging policy



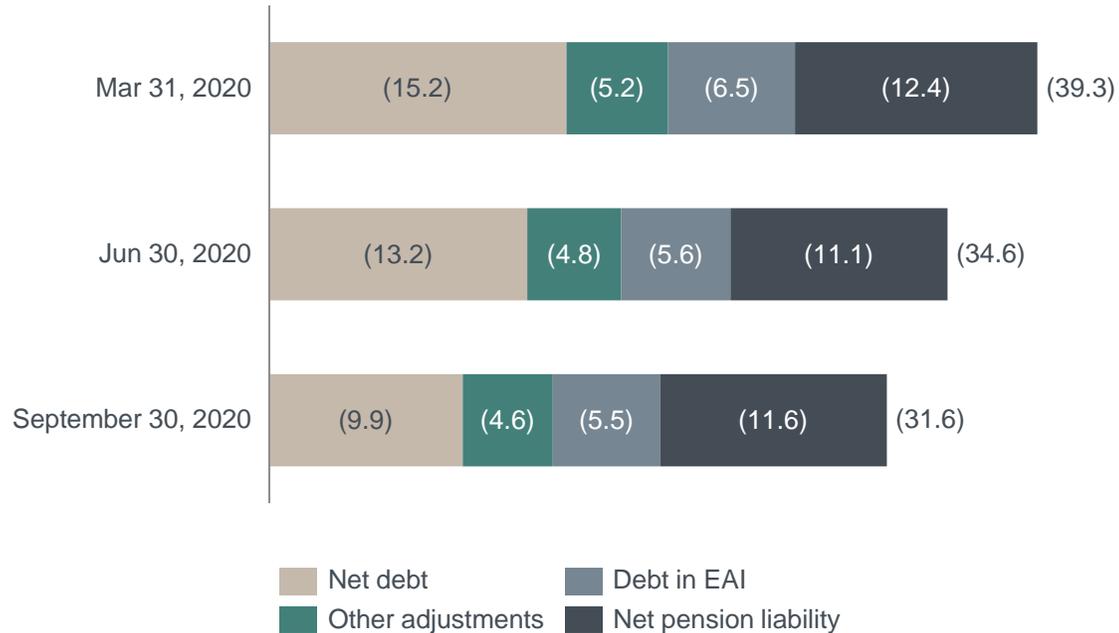
- Hedging strategy
 - Fluctuating with the market: primarily exposed to LME and USD
 - Volatility mitigated by strong balance sheet
 - Strengthening relative position to ensure competitiveness
- Diversified business
 - Upstream cyclicalities balanced with more stable earnings downstream
 - Exposed to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

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

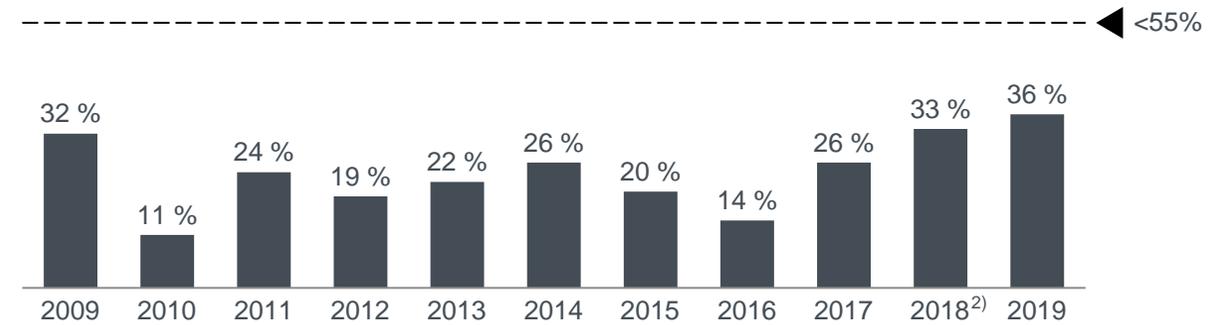
Maintaining a solid balance sheet and investment-grade credit rating



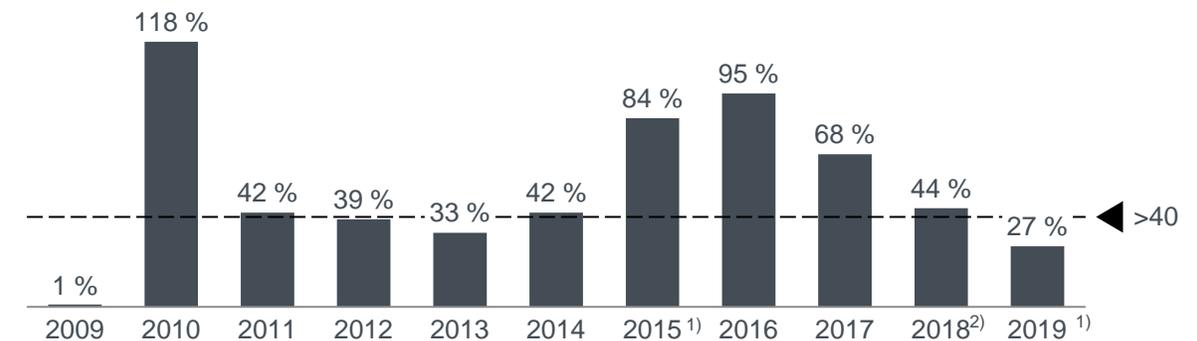
Adjusted net debt BNOK



Adjusted net debt / Equity



Funds from operations / Adjusted net debt

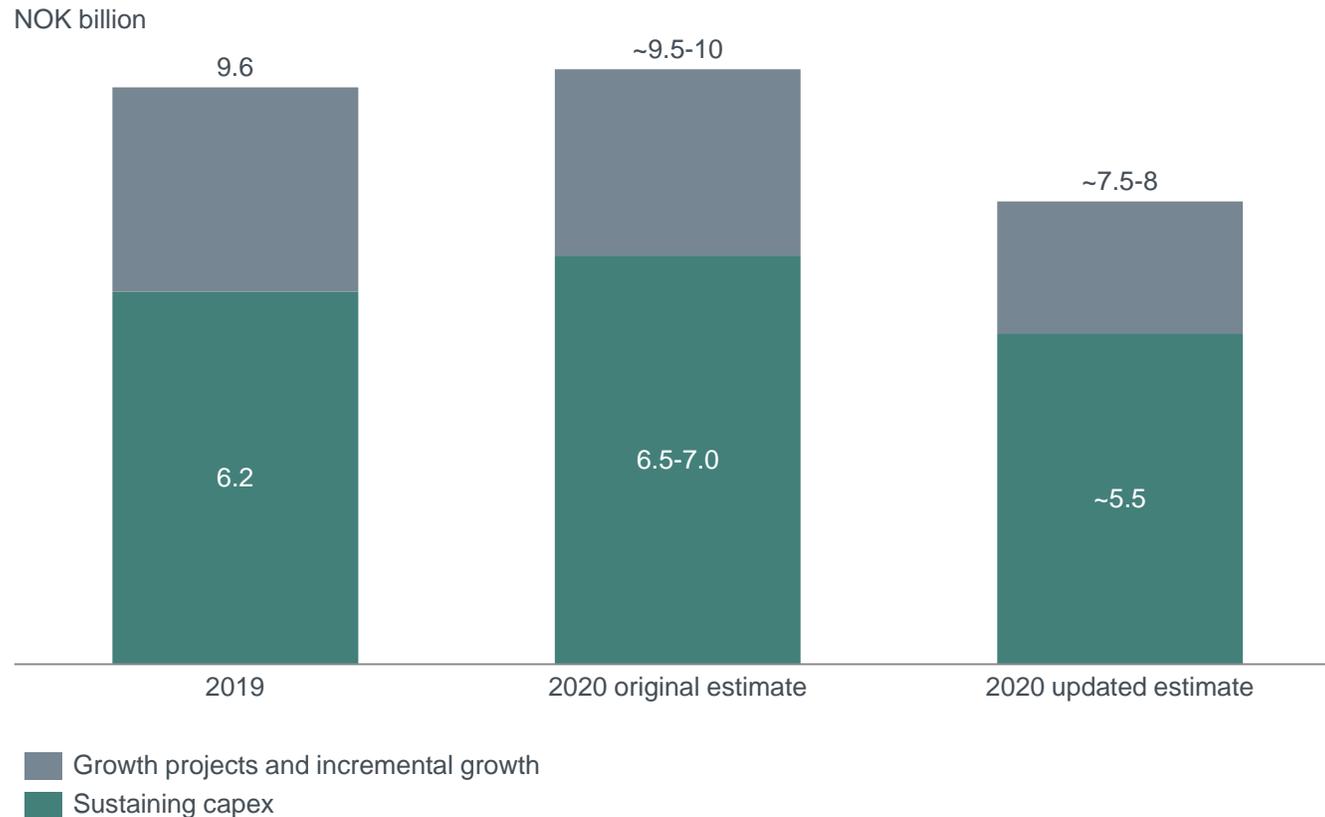


1) 2015 and 2019 FFO/aND ratio has been restated due to changes in definition.

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)

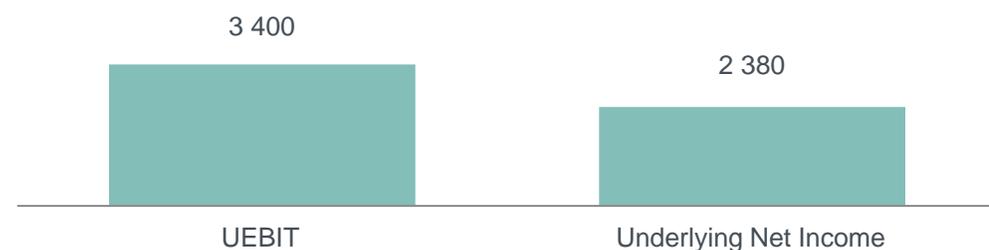


- Capex freeze is split ~50/50 between sustaining and growth projects
- Postponement of sustaining projects to later periods where possible without jeopardizing operations
- Postponement of several growth projects
- Further capex optimization to be continuously evaluated

Significant exposure to commodity and currency fluctuations

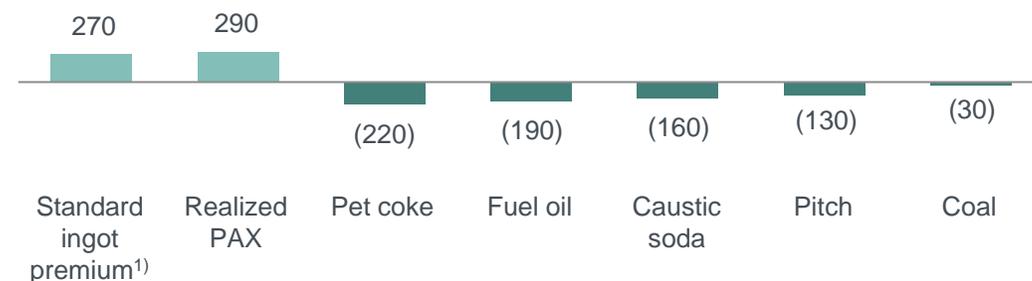
Aluminium price sensitivity +10%

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)
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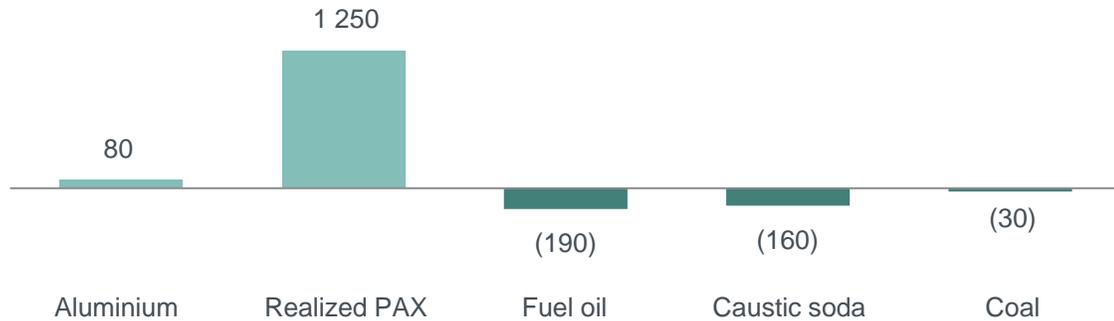
- Annual sensitivities based on normal annual business volumes (incl. 100% production at Alunorte, Paragominas and Albras) and Q320 realized prices as a starting point LME USD 1 600 per mt, standard ingot premium 120 USD/mt, PAX 275 USD/mt, fuel oil USD 350 per mt, petroleum coke USD 240 per mt, pitch 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

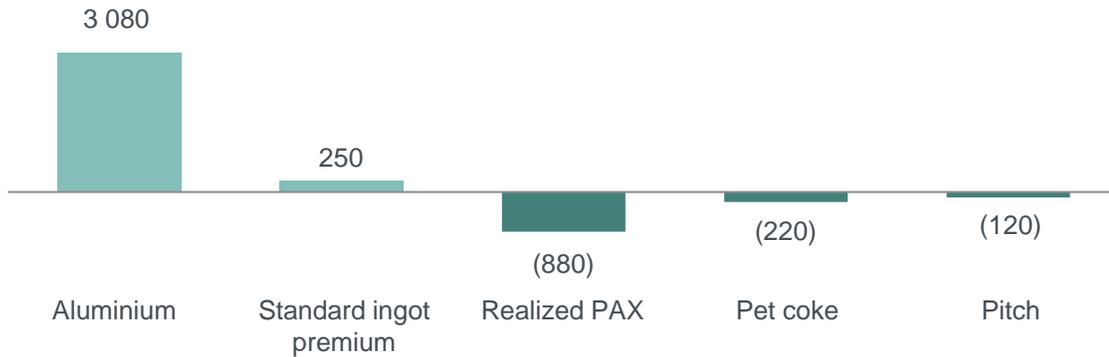
Annual sensitivities based on normal annual business volumes (incl. 100% production at Alunorte, Paragominas and Albras) and Q320 realized prices as a starting point LME USD 1 600 per mt, standard ingot premium 120 USD/mt, PAX 275 USD/mt, fuel oil USD 350 per mt, petroleum coke USD 240 per mt, pitch 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

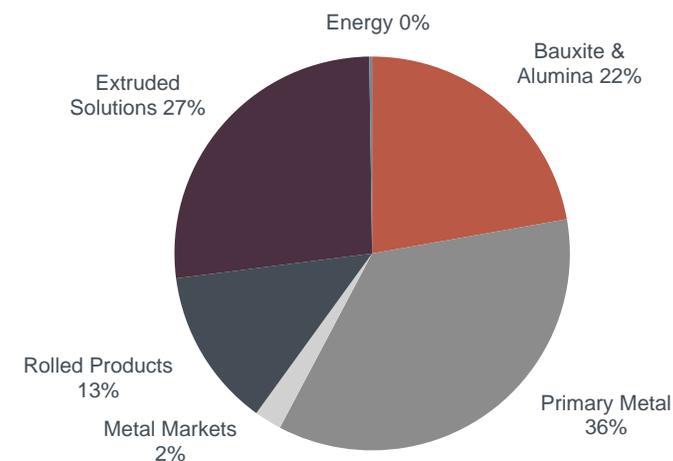


Return on average capital employed ¹⁾ (RoaCE)

	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



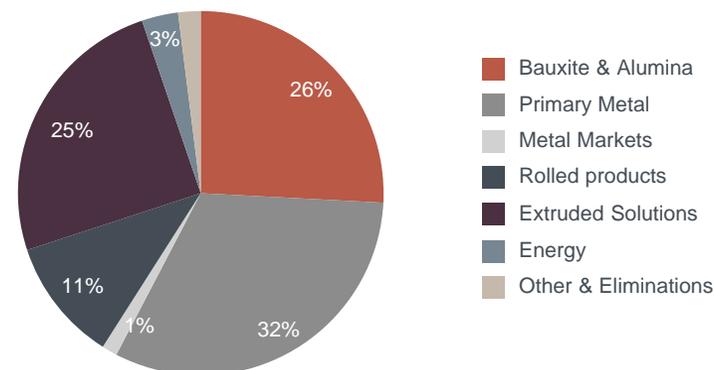
Depreciation, amortization and impairment

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

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