



Fourth quarter 2020 Presentation

February 12, 2021





Delivering 2020 improvement program and strong cash generation

Pål Kildemo
CFO & EVP

Q4 2020

Underlying EBITDA NOK 3 476 million

Free cash flow NOK 3 352 million

Global recovery reducing aluminium oversupply

Volume growth downstream exceeding the market

Exceeded improvement program target for 2020

Lyse Kraft DA transaction completed

Proposed dividend of NOK 1.25 per share for 2020,
revised policy for 2021

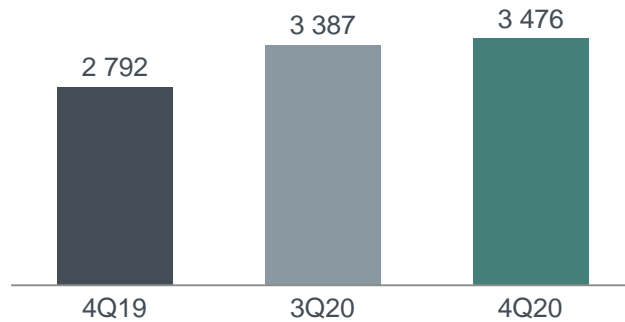


Key performance metrics | Q4



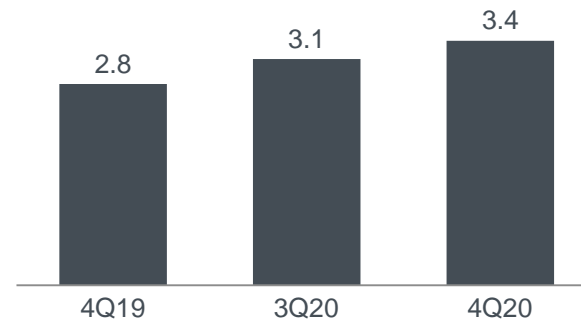
Underlying EBITDA

NOK million



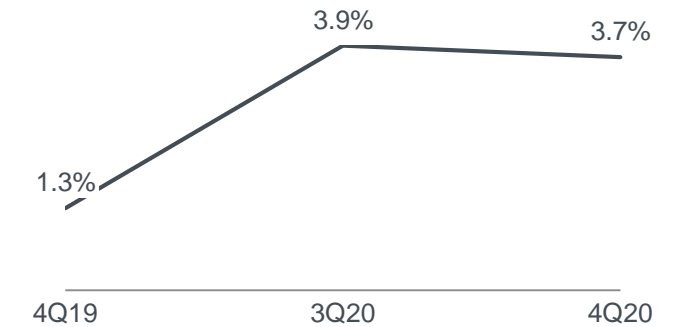
Free cash flow¹⁾

NOK billion



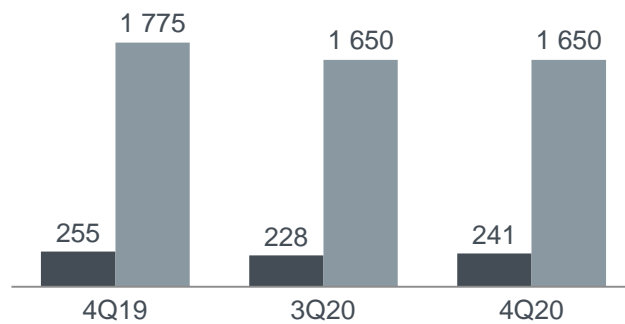
Underlying RoaCE

12-month rolling %



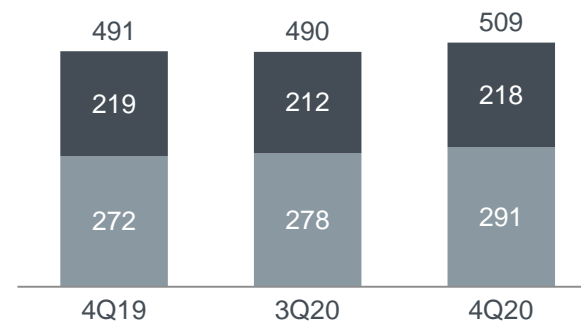
Upstream costs^{2,3)}

USD per tonne



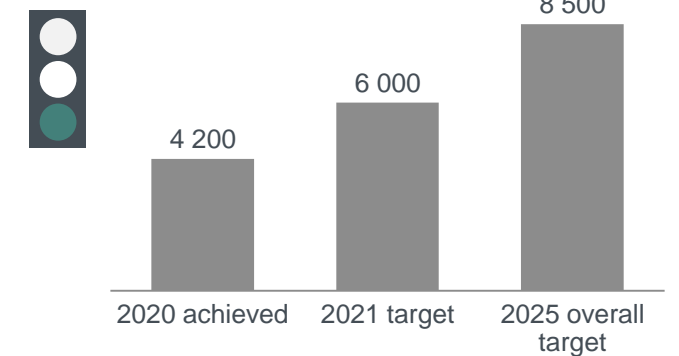
Downstream volumes

Thousand tonnes



Improvement program status

NOK millions



■ Bauxite & Alumina
■ Primary Metals

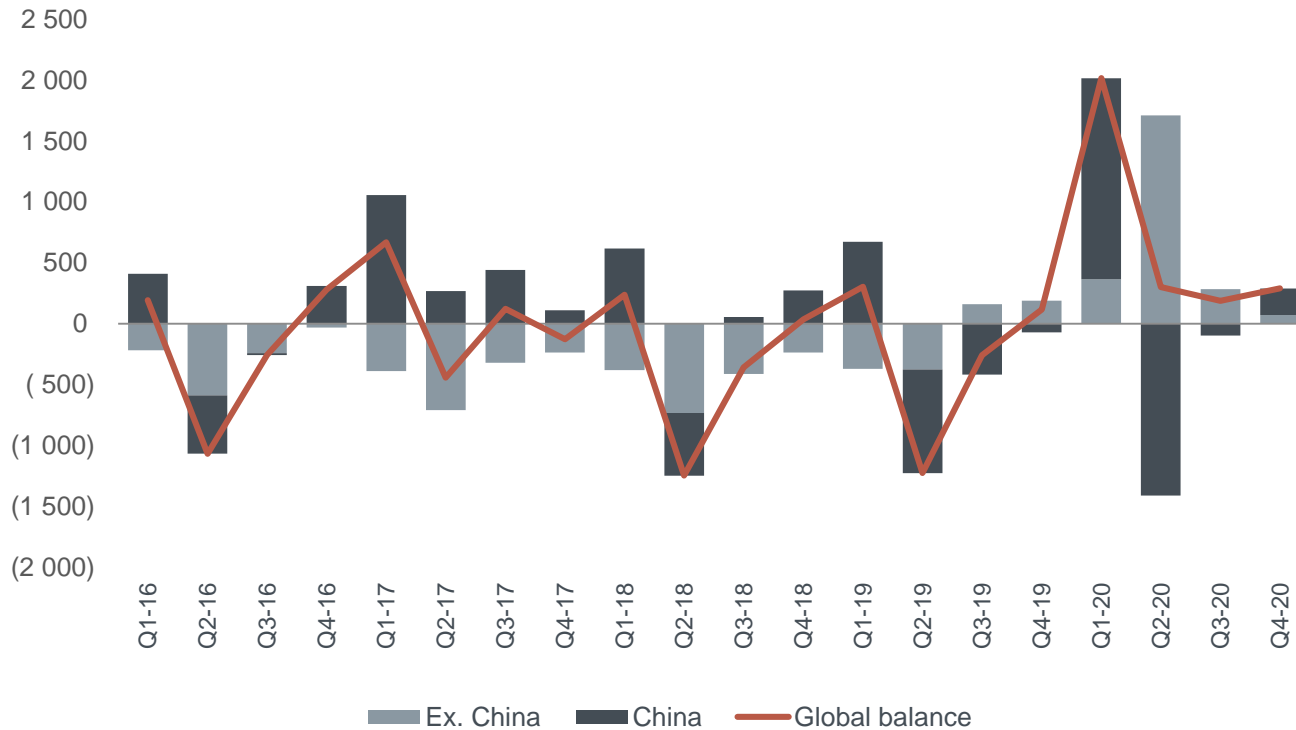
■ Rolled Products
■ Extruded Solutions

1) Free cash flow is uEBITDA plus change in net operating capital, other operating cash and investments
 2) Realized alumina price minus underlying EBITDA for B&A, per mt alumina sales
 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

Global recovery reducing oversupply by ~1 million tonnes in 2021

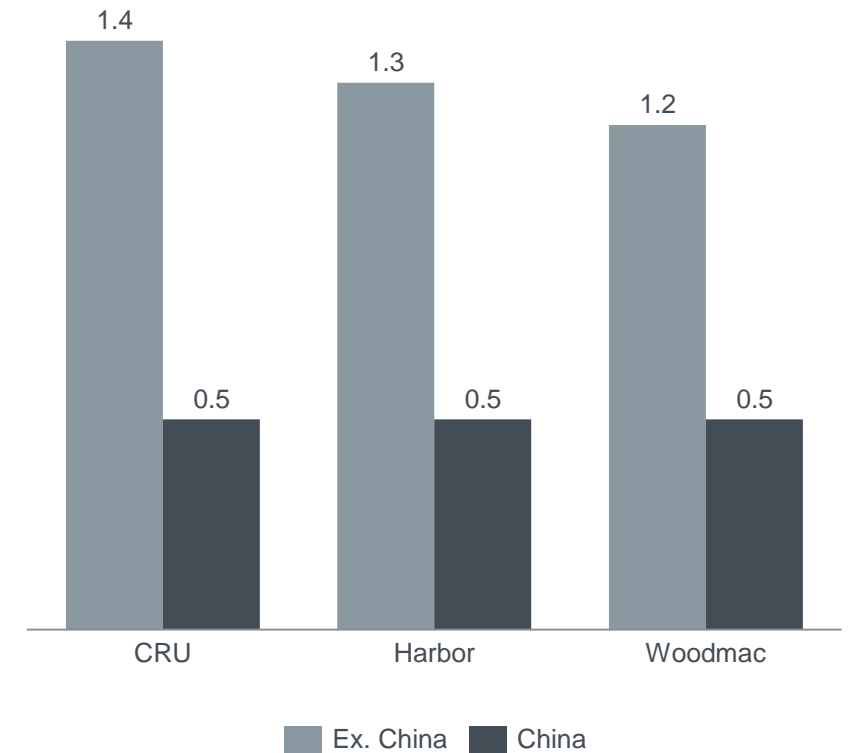
Quarterly market balances, world ex. China and China

Thousand tonnes, primary aluminium



Estimates global balance 2021

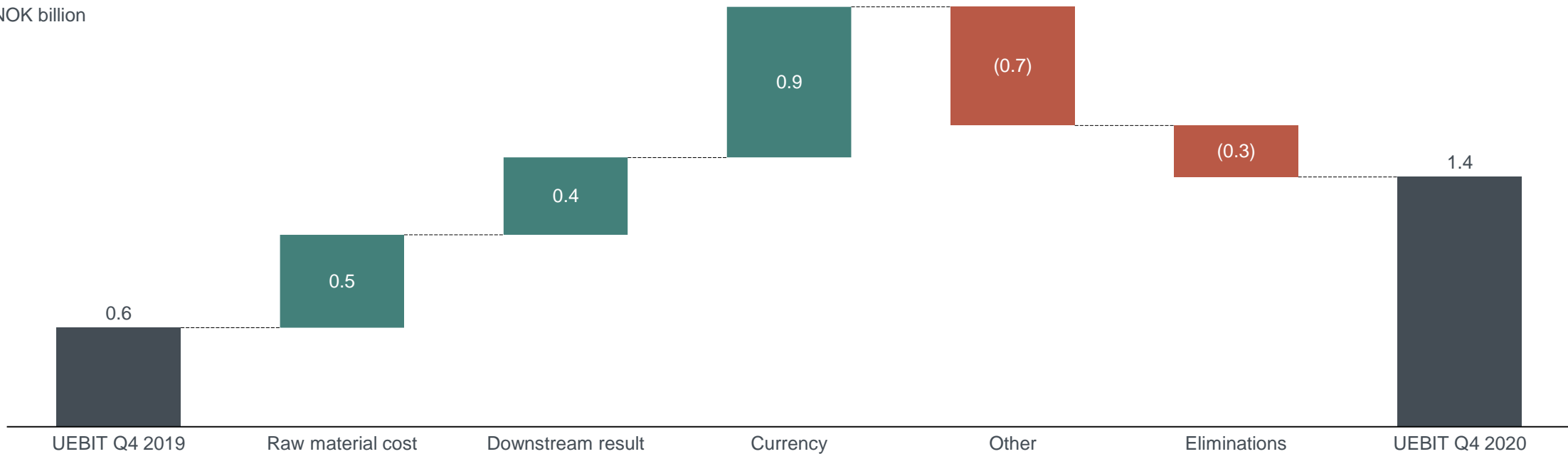
Million tonnes, primary aluminium



Results up due to raw material costs, downstream results and currency effects

Partly offset by maintenance related costs and antidumping duties

Q4 2019 vs. Q4 2020
NOK billion

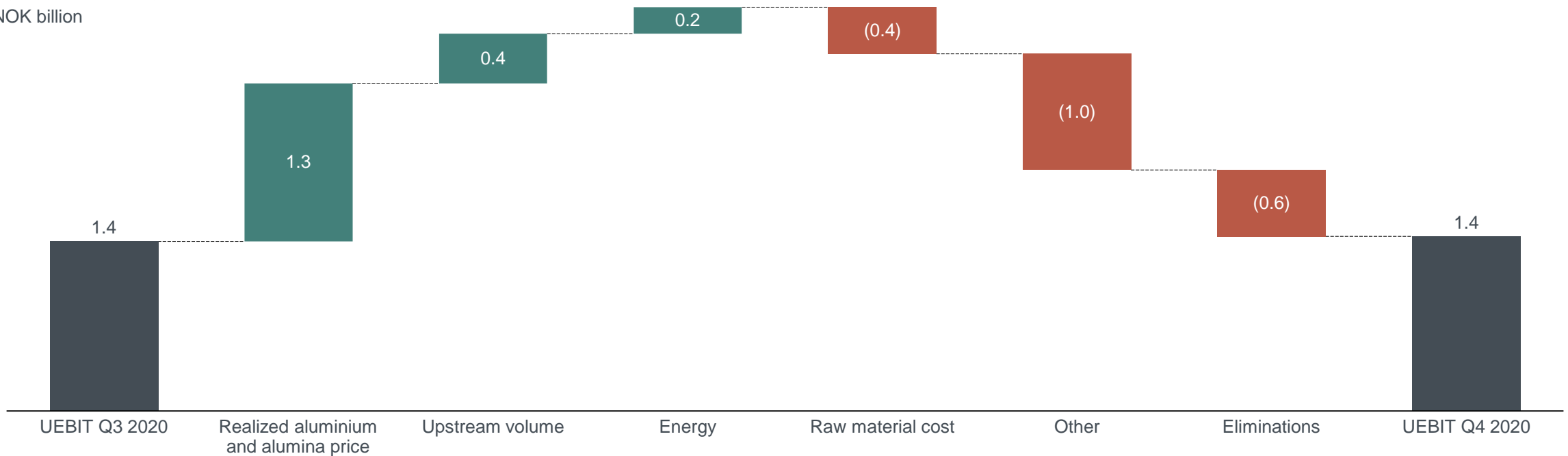


Stable results from Q3 to Q4



Positively impacted by prices and volumes upstream, offset by raw material and other costs

Q3 2020 vs. Q4 2020
NOK billion

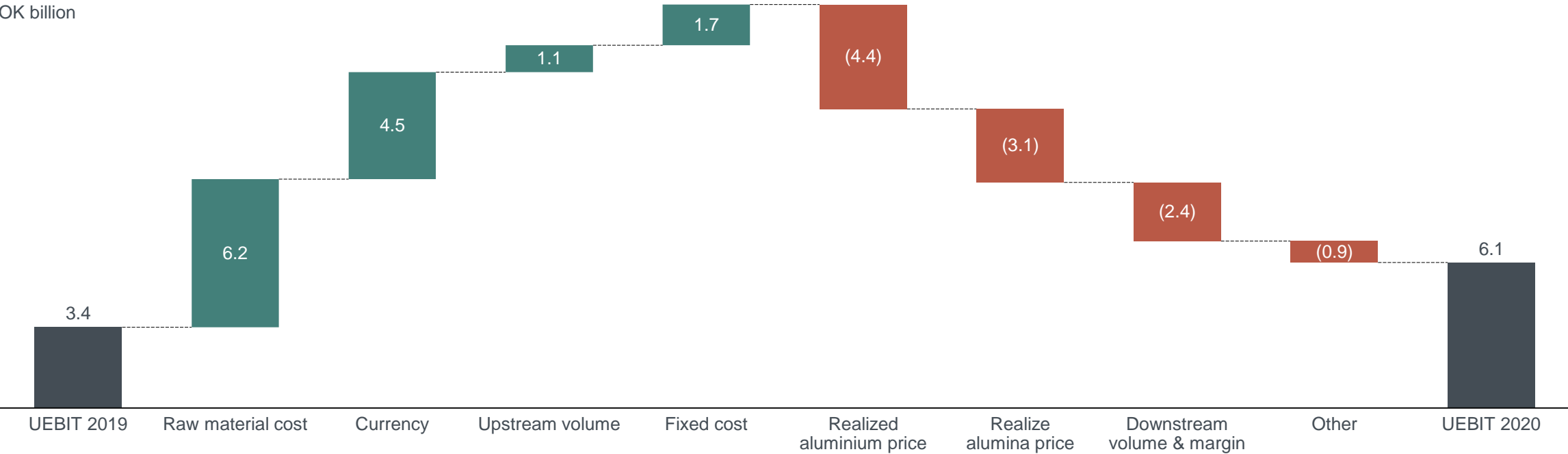


2020 results up due to lower raw material cost, currency effects and fixed costs



Partially offset by lower prices upstream and lower volumes downstream

2019 vs. 2020
NOK billion

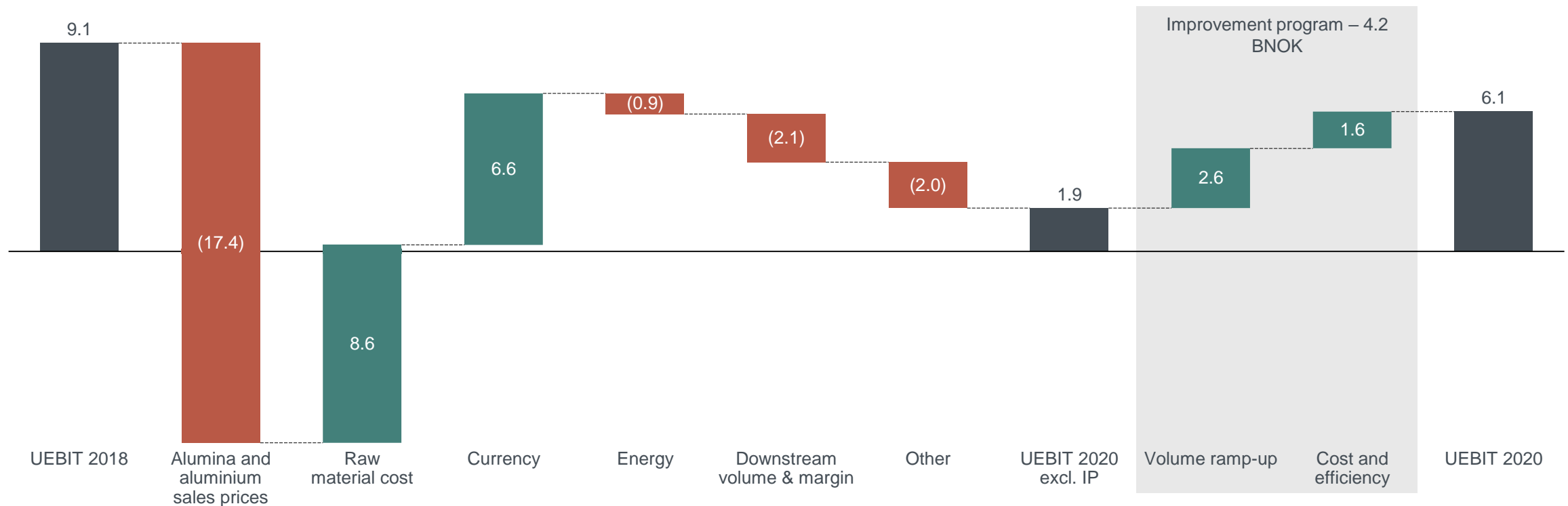


Improvement program providing uplift of NOK 4.2 billion to the 2020 result



Compared to 2018 baseline

2018 vs. 2020
NOK billion

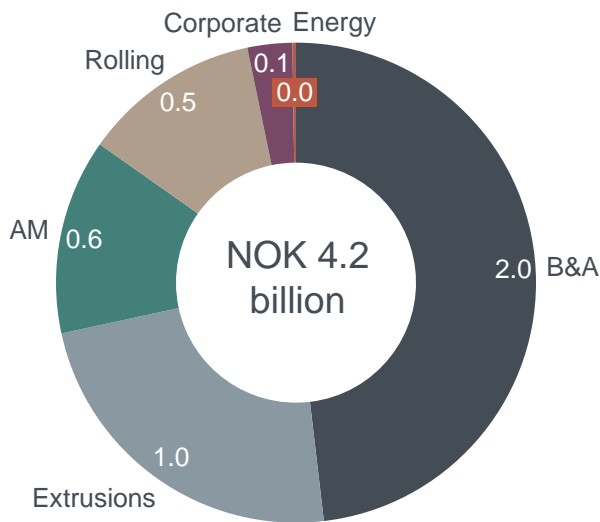


Improvement program target for 2020 exceeded

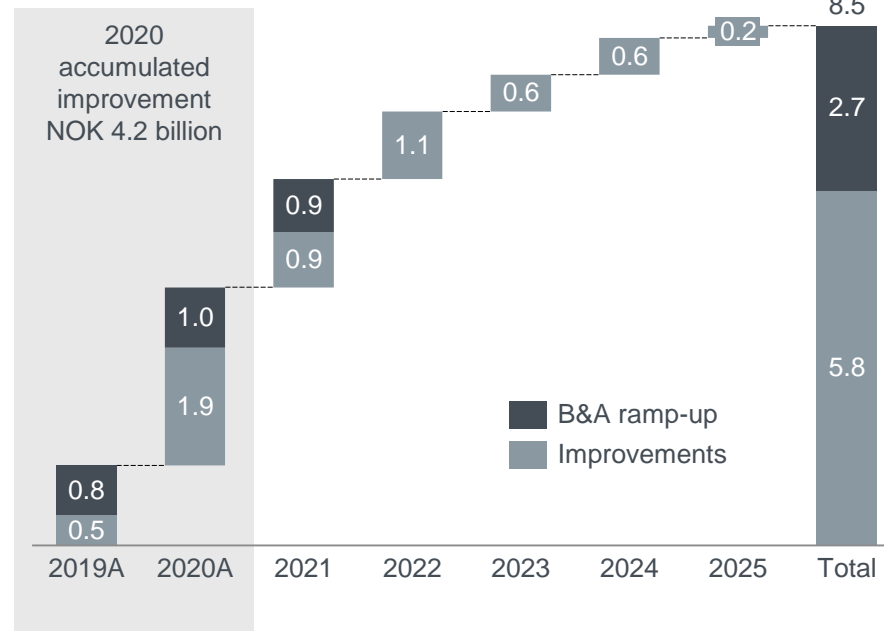


Extended program launched of NOK 8.5 billion in EBITDA improvements by 2025 with NOK 6.0 billion to be achieved by year end-2021

2020 accumulated improvement
NOK billion



2025 accumulated improvement potential by year^{1,2)}
NOK billion



Volume ramp-up

- Alunorte producing at nameplate at year end, production at ~87% for full year 2020

Cost and efficiency initiatives

- Accelerated measures to reduce fixed costs across Hydro
 - Organizational and portfolio right-sizing and SG&A cost optimization
- Operational excellence and production optimization
 - Improving technical parameters
 - Raw-material efficiency including metal cost optimization and procurement
 - Pre-emptive maintenance taken to ensure asset integrity and robustness and maintain production

Commercial ambition: Additional NOK 2.0 billion in market and customer growth opportunities by 2025 launched at CMD 2020

1) Alunorte and Paragominas ramp-up to full nameplate capacity
2) 2025 EBITDA target excludes ca 0.2 BNOK in depreciation, mainly in AM

Key financials



NOK million	Q4 2020	Q4 2019	Q3 2020	Year 2020	Year 2019
Revenue	35 894	35 490	33 169	138 118	149 766
Underlying EBIT	1 449	560	1 407	6 051	3 359
Items excluded from underlying EBIT	(5 322)	959	(415)	(3 181)	2 860
Reported EBIT	6 770	(399)	1 822	9 232	499
Reported EBITDA	8 850	2 617	3 879	19 465	9 878
Underlying EBITDA	3 476	2 792	3 387	14 316	11 832
Financial income (expense)	1 356	231	(1 787)	(4 723)	(2 055)
Income (loss) before tax	8 126	(168)	35	4 509	(1 556)
Income taxes	(849)	(497)	(256)	(950)	(813)
Net income (loss)	7 277	(665)	(221)	3 560	(2 370)
Underlying net income (loss)	834	(303)	550	2 718	708
Reported EPS, NOK	3.43	(0.23)	(0.11)	1.83	(0.88)
Underlying EPS, NOK	0.35	(0.12)	0.26	1.25	0.52

Excluded a gain of NOK ~5.3 billion from Underlying EBIT



NOK million	Q4 2020	Q4 2019	Q3 2020	Year 2020	Year 2019
Underlying EBIT	1 449	560	1 407	6 051	3 359
Unrealized derivative effects on LME related contracts	149	(1)	656	340	(91)
Unrealized derivative effects on power and raw material contracts	(133)	(8)	(160)	(171)	99
Metal effect, Rolling	93	23	(95)	(298)	(370)
Significant rationalization charges and closure costs	(22)	(78)	(41)	(202)	(1 484)
Impairment charges	(52)	(783)	(77)	(1 968)	(906)
Alunorte agreements – provisions	-	-	-	(129)	(80)
Transaction related effects	5 291	14	65	5 407	(21)
Pension	-	-	-	-	62
Other effects	(4)	(125)	68	203	(68)
Reported EBIT	6 770	(399)	1 822	9 232	499

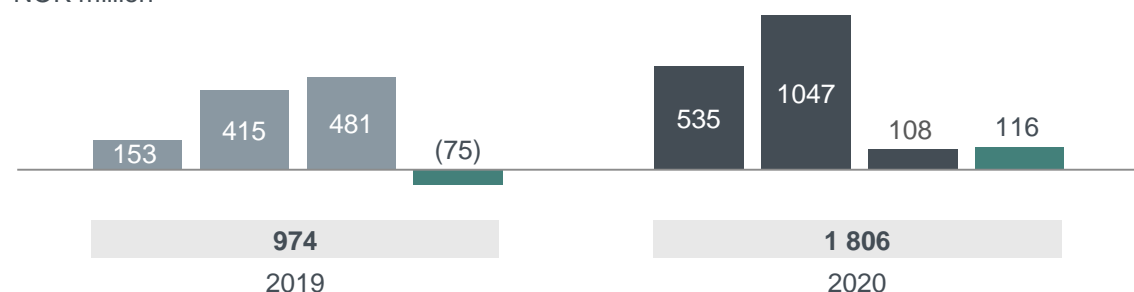
Hydro Bauxite & Alumina

Results up due to lower raw materials costs and currency, offset by lower alumina prices and higher other costs

Key figures	Q4 2020	Q4 2019	Q3 2020
Alumina production, kmt	1 410	1 430	1 074
Total alumina sales, kmt	2 122	2 164	1 990
Realized alumina price, USD/mt	272	281	260
Implied alumina cost, USD/mt ¹⁾	241	255	228
Bauxite production, kmt	2 556	2 222	1 167
Underlying EBITDA, NOK million	587	504	578
Underlying EBIT, NOK million	116	(75)	108
Underlying RoaCE, % LTM ²⁾	5.9%	2.5%	4.9%

Underlying EBIT

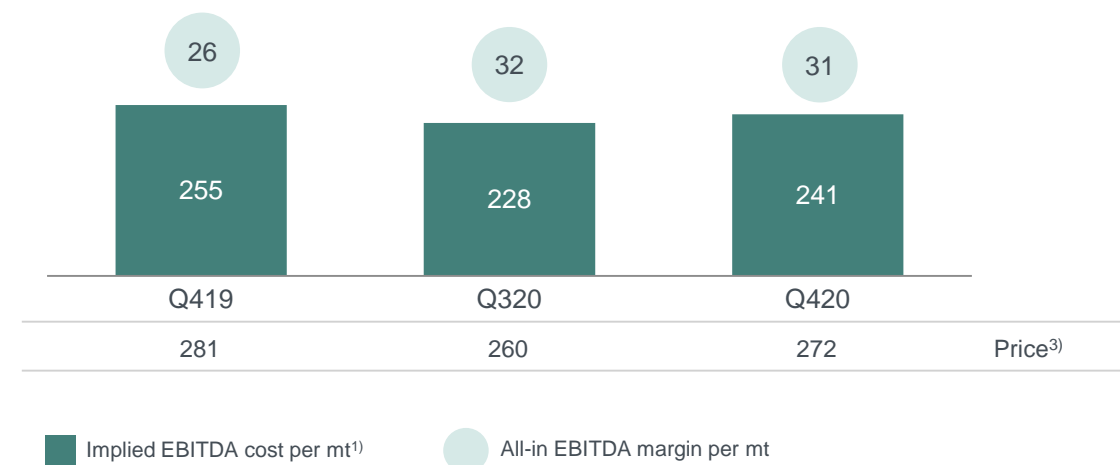
NOK million



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
 3) Realized alumina price

Implied alumina cost and margin

USD/mt¹⁾



Results Q4 20 vs Q4 19

- Positive currency effects USD/BRL
- Lower raw material prices
- Lower alumina prices
- Higher alumina sourcing costs
- Higher maintenance costs associated with crane repairs of around NOK 170 million

Outlook Q1 21

- Alunorte expected to produce around nameplate capacity
- Around NOK ~200 million related to crane repairs

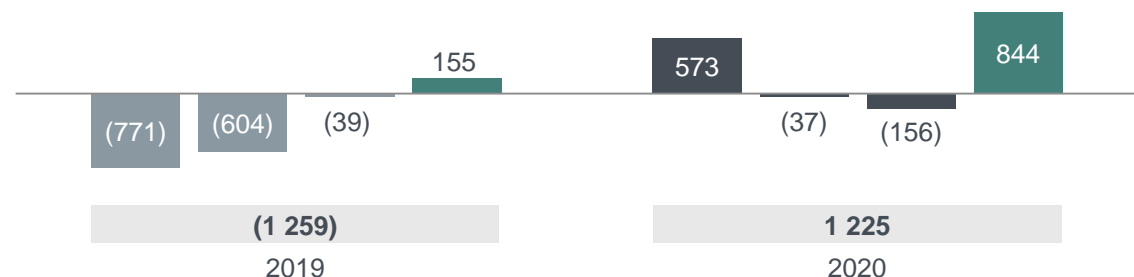
Hydro Aluminium Metal

Results up due to lower raw material and fixed costs

Key figures	Q4 2020	Q4 2019	Q3 2020
Primary aluminium production, kmt	532	545	522
Total sales, kmt	547	529	548
Realized LME price, USD/mt	1 792	1 754	1 596
Realized LME price, NOK/mt	16 364	15 913	14 712
Realized premium, USD/mt	224	257	211
Implied all-in primary cost, USD/mt ¹⁾	1 650	1 775	1 650
Underlying EBITDA, NOK million	1 432	812	404
Underlying EBIT, NOK million	844	155	(156)
Underlying RoaCE, % LTM ²⁾	2.9%	(2.6)%	1.3%

Underlying EBIT

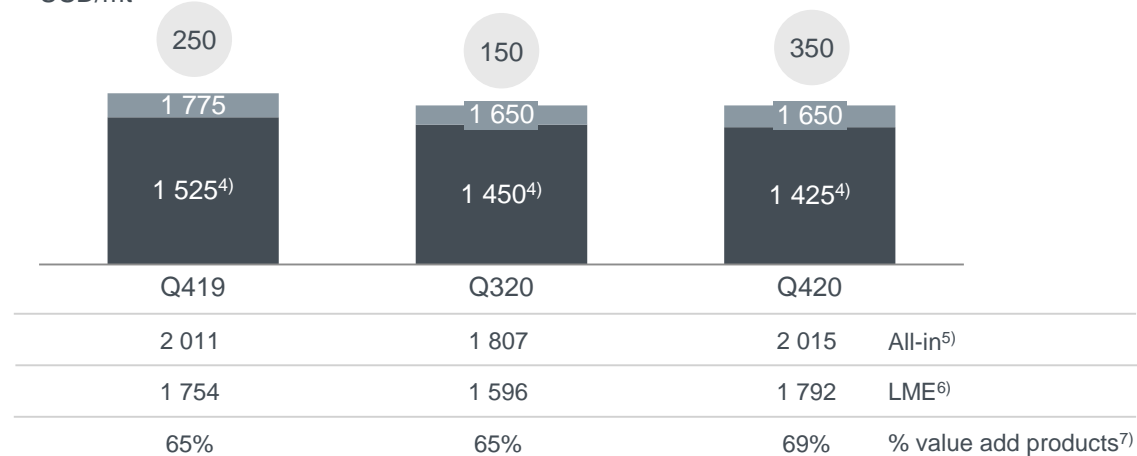
NOK million



- 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) 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

USD/mt^{1,3)}



■ All-in Implied EBITDA cost per mt¹⁾ ■ LME Implied EBITDA cost per mt⁴⁾ ● All-in EBITDA margin per mt

Results Q4 20 vs Q4 19

- Lower raw material prices
- Lower fixed costs and depreciation

Outlook Q1 21

- ~65% of primary production for Q1 priced at USD ~1 980 per mt⁸⁾
- ~59% of premiums affecting Q4 booked at USD ~273 per mt⁸⁾
 - Q1 realized premium expected in the range of USD 225-275 per ton
- Higher fixed costs and higher power prices

- 5) Realized LME plus realized premiums, including Qatalum
- 6) Realized LME, including Qatalum
- 7) % of volumes extrusion ingot, foundry alloy, sheet ingot, wire rod of total sales volumes
- 8) Bookings, also including pricing effects from LME strategic hedging program as per 31.12.2020

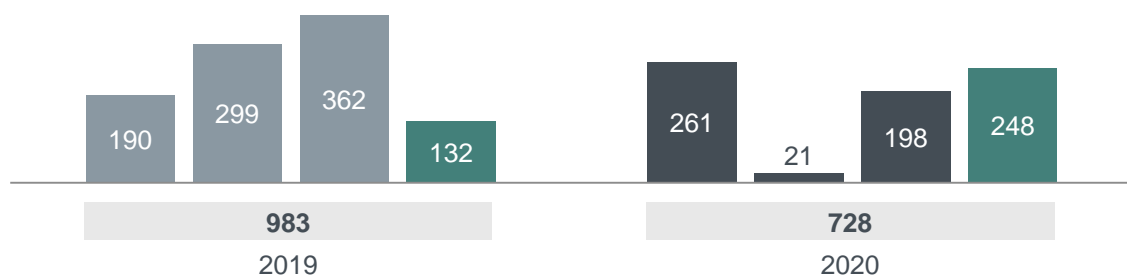
Hydro Metal Markets

Results up due to sourcing and trading activities

Key figures	Q4 2020	Q4 2019	Q3 2020
Remelt production, kmt	140	121	124
Metal products sales, kmt ¹⁾	672	648	668
Underlying EBITDA, NOK million	287	167	233
Underlying EBIT excl currency and inventory valuation effects, NOK million	257	184	262
Underlying EBIT, NOK million	248	132	198
Underlying RoaCE, % LTM ²⁾	21.4%	27.3%	16.7%

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 Q4 20 vs Q4 19

- Higher results from sourcing and trading activities
- Positive contribution from currency effects

Outlook Q1 21

- Volatile trading and currency effects

Rolling volumes stable in Q4, market recovery continuing in 2021



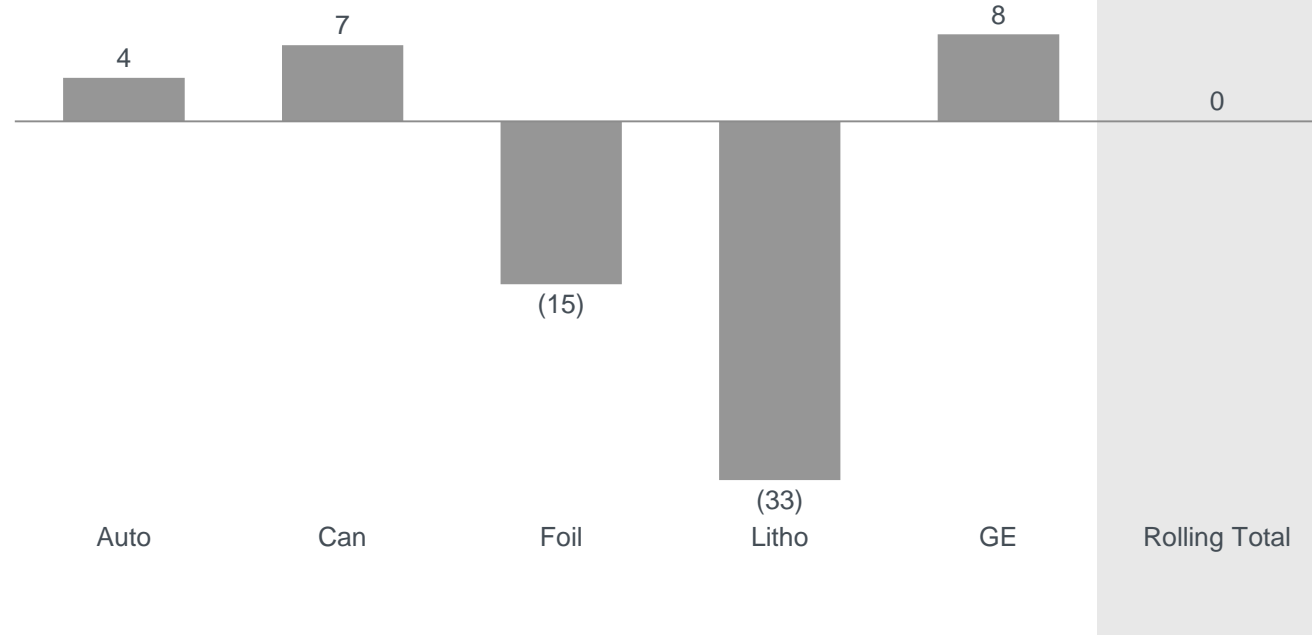
Market development better than forecasted at Q3

Internal sales volumes - actual

Q4 2020 vs Q4 2019

Rolling segment sales volume

Growth in %

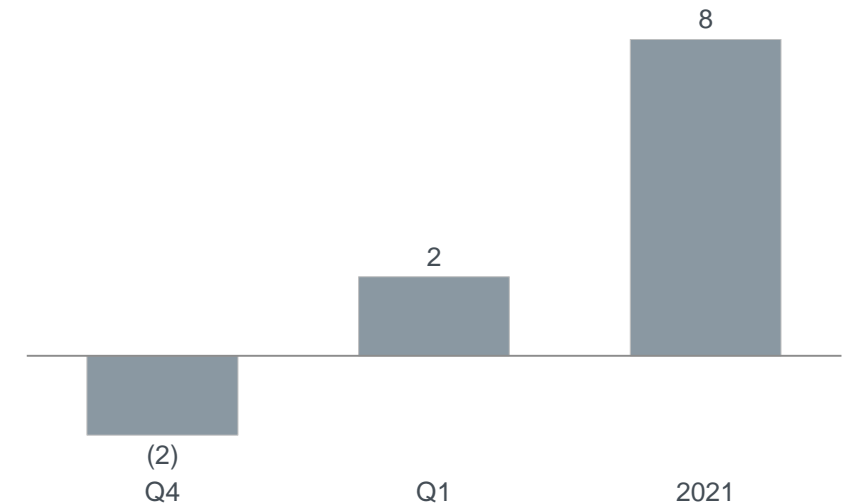


External market forecasts

Year over year

Rolled products European market growth

Growth in %



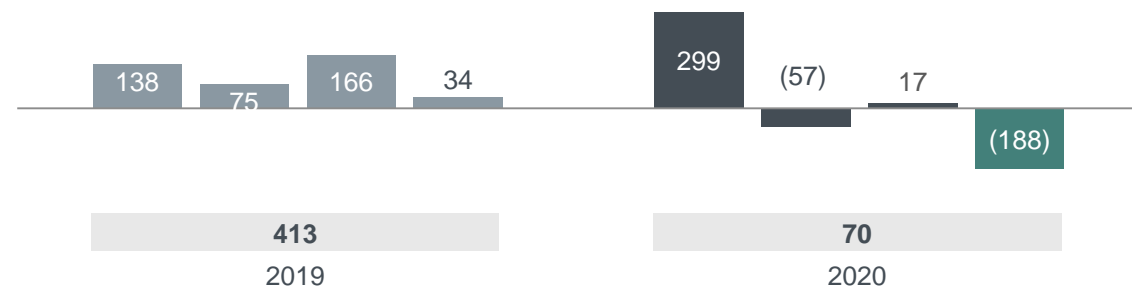
Hydro Rolling

Results down due to US anti-dumping duties, partly offset by cost improvements

Key figures	Q4 2020	Q4 2019	Q3 2020
External sales volumes, kmt	218	219	212
Underlying EBITDA, NOK million	114	308	316
Underlying EBIT, NOK million	(188)	34	17
Underlying RoaCE, % LTM ¹⁾	0.4%	2.4%	1.7%

Underlying EBIT

NOK million



Results Q4 20 vs Q4 19

- Negative impact of around NOK 250 million related to US anti-dumping duties
- Lower costs from the ongoing improvement program
- Improved results from Neuss on lower raw material costs

Outlook Q1 21

- Anti-dumping duties of around ~100 MNOK
- Continued market recovery, uncertainty remains

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

Extrusions volumes up in Q4, market recovery continues



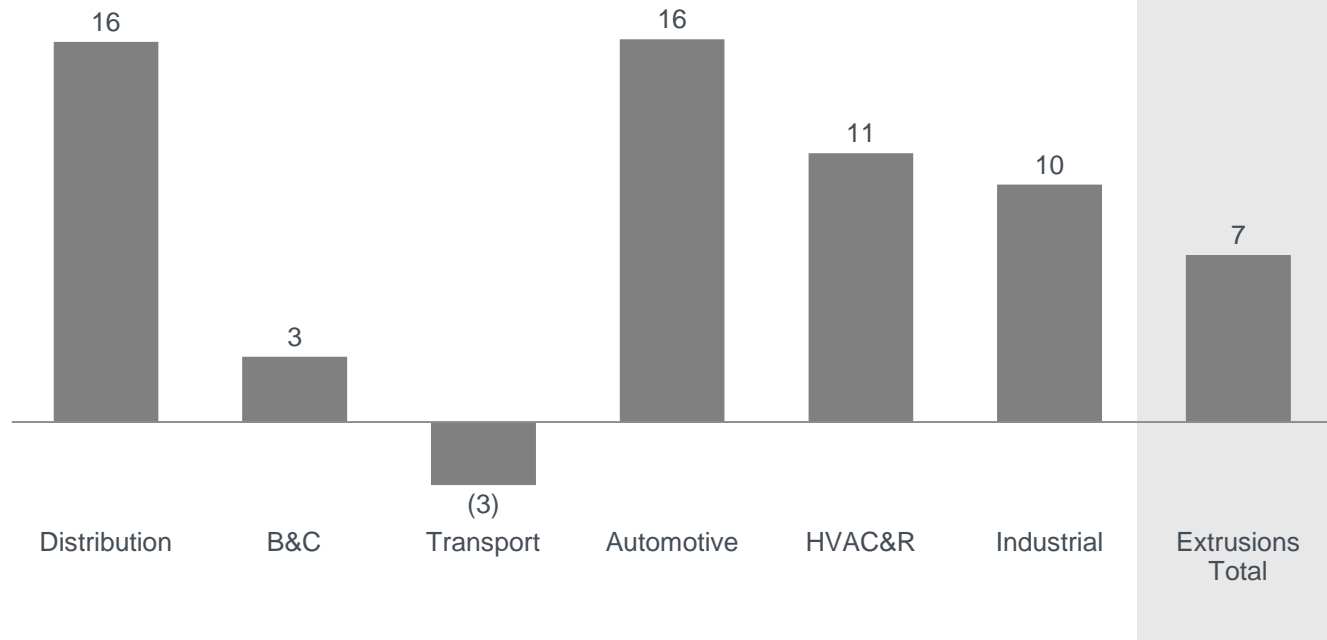
Market developed better than forecasted at Q3

Internal sales volumes - actual

Q4 2020 vs Q4 2019

Extrusions segment sales volume

Growth in %

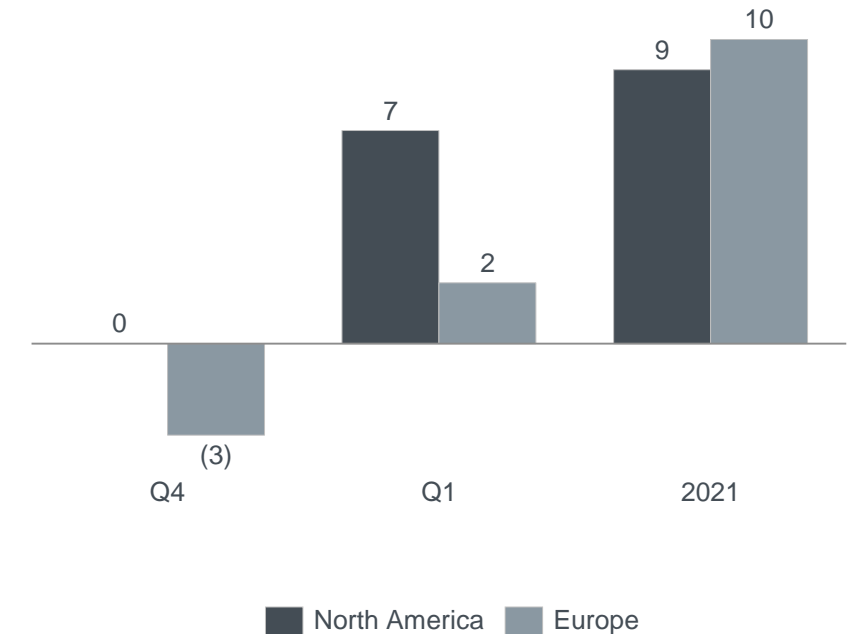


External market forecasts

Year over Year

Extrusion market growth

Growth in %



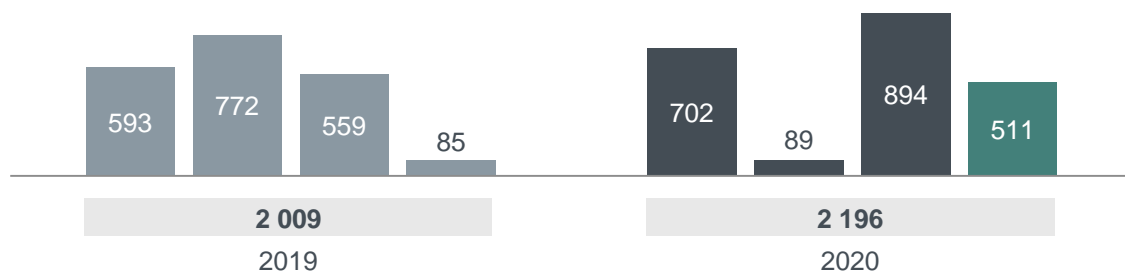
Hydro Extrusions

Results up due to lower costs and higher volumes

Key figures	Q4 2020	Q4 2019	Q3 2020
External sales volumes, kmt	291	272	278
Underlying EBITDA, NOK million	1 044	655	1 412
Underlying EBIT, NOK million	511	85	894
Underlying RoaCE, % LTM ¹⁾	6.2%	5.7%	4.9%

Underlying EBIT

NOK million



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



Results Q4 20 vs Q4 19

- Higher sales volumes
- Lower costs from ongoing improvement efforts and other temporary cost reductions

Outlook Q1 21

- Market recovery, uncertainty remains
- Continued focus on cost initiatives, some costs expected to return as market resumes

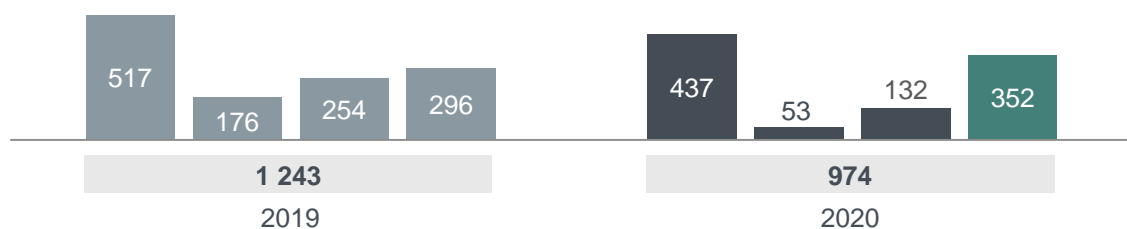
Hydro Energy

Results up on higher production volumes offset by lower prices

Key figures	Q4 2020	Q4 2019	Q3 2020
Power production, GWh	3 396	2 332	3 161
Net spot sales, GWh	1 595	520	1 401
Southwest Norway spot price (NO2), NOK/MWh	137	392	52
Underlying EBITDA, NOK million	419	365	200
Underlying EBIT, NOK million	352	296	132
Underlying RoaCE, % LTM ^{1,2)}	8.7% ³⁾	12.9%	26.3%

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 and 2020

3) Increased capital employed from Lyse transaction negatively impacting uRoaCE from Q3 to Q4



Results Q4 20 vs Q4 19

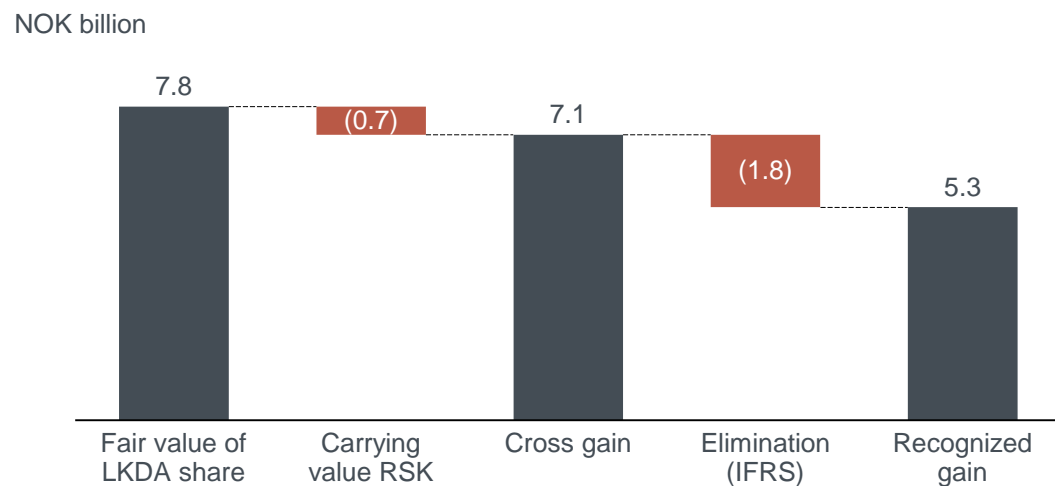
- Lower power prices due to strong hydrological balance
- Higher power production volumes

Outlook Q1 21

- Average NO2 spot price ~499 NOK/Mwh in January
- Drier, colder weather in January nearly eliminating surpluses in hydrological balance

Lyse Kraft DA creating accounting gain in Q4, and other changes in Energy taking effect in 2021

Recognized gain of NOK 5.3 billion in Q4 2020



- Fair value estimate of 25.6% ownership in LKDA NOK 7.8 billion (EV multiple of 3.3 NOK/Mwh)
- Reported gain of NOK 5.3 billion after adjustment of low carrying book values for RSK and IFRS elimination

Additional full year effects in Energy from 2021

- Reduction in EBITDA of NOK 100 - 200 million per year due to changes in accounting following the Lyse Kraft DA transaction
- Reporting pro-rata share of LKDA net income (EAI)¹⁾ as part of EBITDA; RSK was previously reported as a “subsidiary” with EBITDA reported directly
- Reduced volumes of 750 GWh partially offset by higher quality assets for net negative impact of 550 GWh (Negative NOK ~100 to 150 million EBITDA²⁾)
- Expiry of legacy power supply contract entered in 2008 will have positive effect of NOK ~650 million³⁾, in addition to NOK ~750 million positive effects from changes in the contract portfolio, including new internal contract^{3,4)}
 - Internal contract gain offset by higher costs NOK 300 to 350 million in AM
- New units Batteries and Renewable Growth in build up phase. Estimate NOK ~100 to 200 million in operating and project development costs

1) In general, a DA-structure is not a separate tax subject and tax is paid directly by owners. However, part of the portfolio is held through limited liability companies and thus separate tax subjects, impacting Net income from Lyse Kraft DA
 2) Based on assumed price of 300 NOK/MWh, cost of 70 NOK/MWh, additional 100 GWh positive effect on net income results in net negative effect of NOK 100 million on net income
 3) Compared to 2020
 4) Based on spot Fx prices

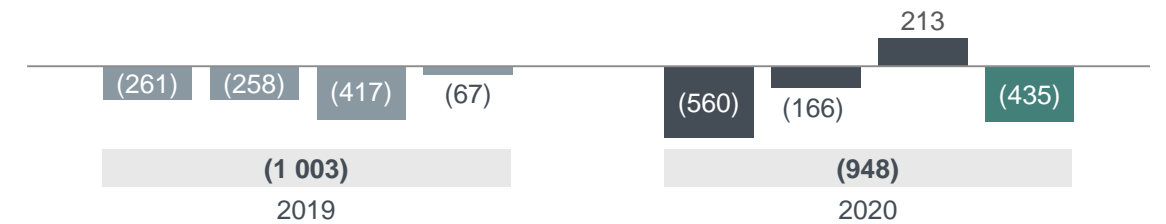


Other and Eliminations

Negative eliminations on higher internal volumes

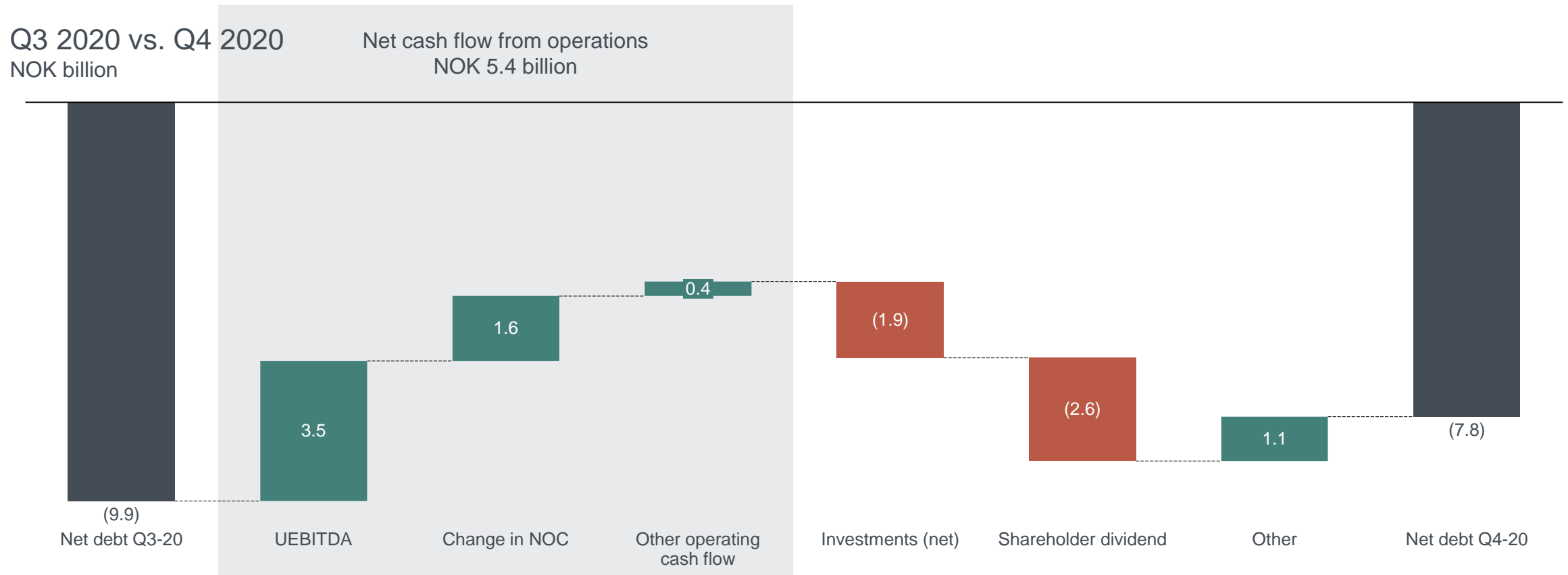
Underlying EBIT, NOK million	Q4 2020	Q4 2019	Q3 2020
Other	(300)	(223)	(204)
Eliminations	(135)	156	417
Other and Eliminations	(435)	(67)	213

Underlying EBIT NOK million



Net debt improves in Q4 on positive cash flow generation

Hydro at lowest net debt level since Q3 2018, 2019 dividend paid in Q4



Adjusted net debt reduced in Q4 2020

NOK billion	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020
Cash and cash equivalents	17.6	17.5	15.4	12.2
Short-term investments	4.1	5.4	5.1	1.6
Short-term debt	(4.7)	(6.9)	(7.1)	(7.7)
Long-term debt	(24.8)	(25.9)	(26.6)	(21.3)
Net cash/(debt)	(7.8)	(9.9)	(13.2)	(15.2)
Net pension liability at fair value, net of expected tax benefit	(9.9)	(11.5)	(11.1)	(12.4)
Other adjustments ¹⁾	(4.9)	(4.6)	(4.8)	(5.2)
Adjusted net debt ex. EAI	(22.6)	(26.1)	(29.1)	(32.8)
Net debt in EAI	(5.3)	(5.5)	(5.6)	(6.5)
Adjusted net debt incl. EAI	(27.9)	(31.6)	(34.6)	(39.3)

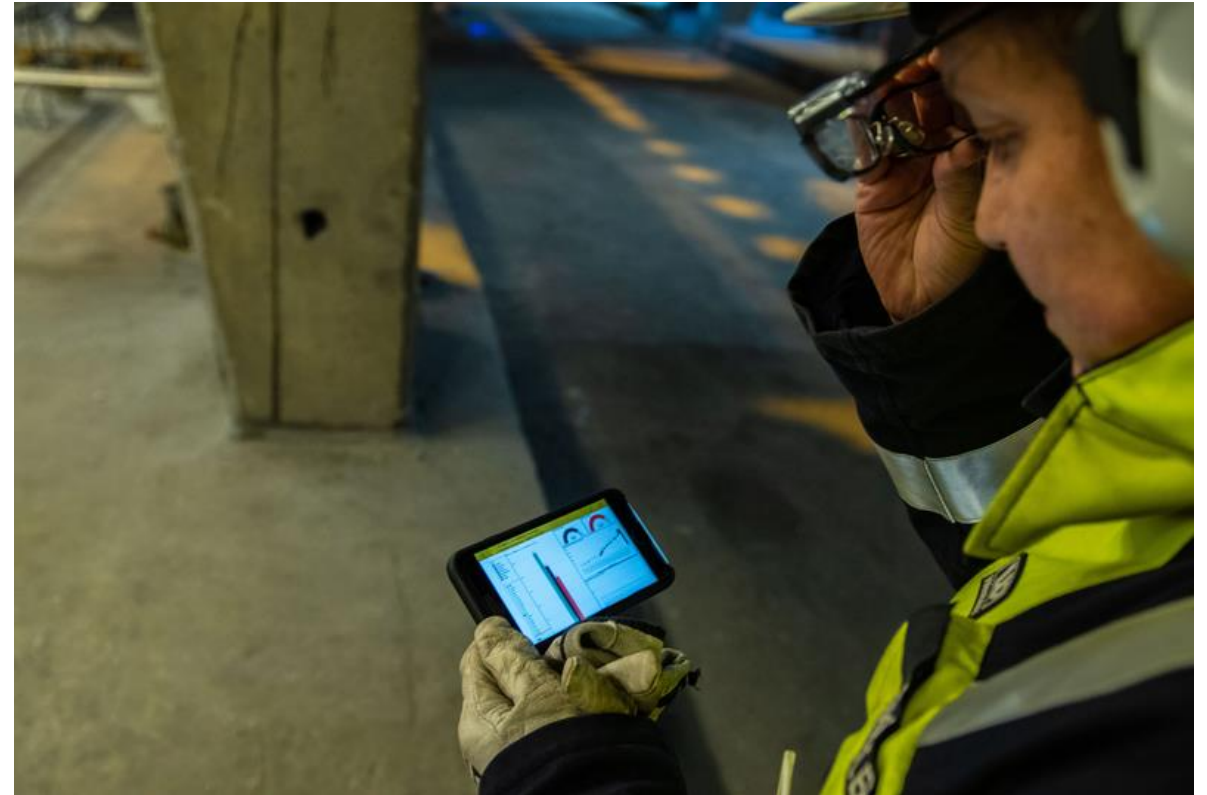
1) "Other adjustments" include, e.g., asset retirement obligations, cash and short-term investments in Industriforsikring



Around 10% of aluminium volumes hedged for 2021-23

Further portfolio measures being evaluated to support strategic targets

- Aluminium hedges of 250 kt/yr 2021-23 in place per end-January at price levels seen in late December/early January
- Pricing mainly in NOK, with USD hedges converted to NOK via USDNOK derivatives
- Corresponding raw material exposure partially secured using financial derivatives or physical contracts
- Total hedges in place:
 - 30% B&A BRLUSD exposure 2021-2022
 - 10% aluminium volumes 2021-2023



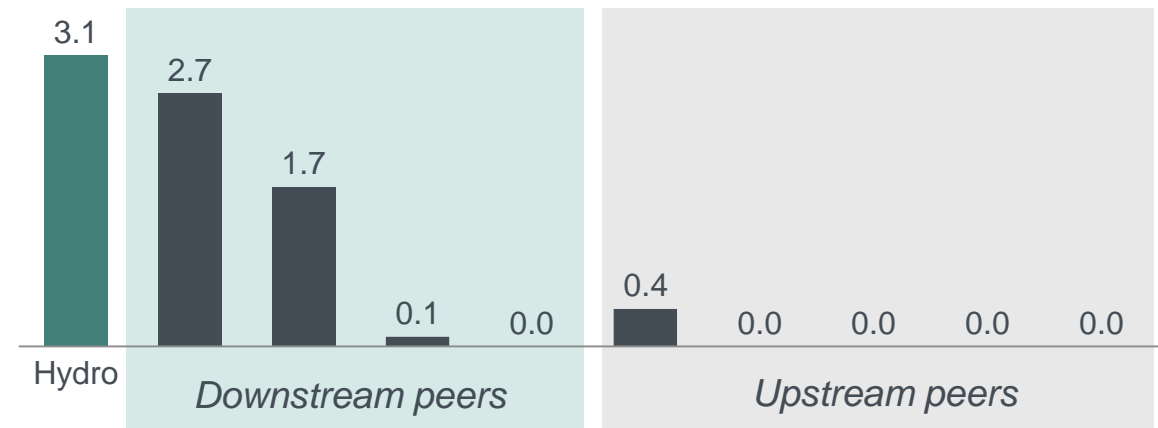
Proposing dividend of NOK 1.25¹⁾ per share for 2020



Represents payout of ~NOK 2.6 billion

- Competitive shareholder returns and dividend yield compared to alternative investments in peers
- Reflects a robust financial situation, taking into account a demanding year with covid outbreak and volatility in the aluminium industry
- Average five-year payout ratio²⁾ of ~65%
 - Dividend policy 40% payout ratio of reported net income over the cycle with 1.25 NOK/share considered as floor

Aluminium peer group dividend yield³⁾ (%)



- Updated dividend policy from 2021 reflecting Hydro's ambitions to lift performance and cash return to shareholders over the cycle
 - Hydro's dividend policy is to, over the cycle, pay out minimum 50 percent of underlying net income
 - The dividend policy has a floor of NOK 1.25 per share. Share buy-backs or extraordinary dividends will supplement dividends during periods of strong financials, due considerations being given to the commodity cycle and capital for future growth.

1) Pending approval from the AGM on May 06, 2021

2) Dividend paid divided by net income from continuing operations attributable to equity holders, including proposed 2020 dividend

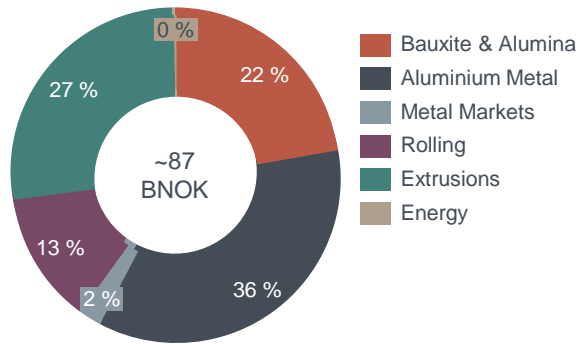
3) Dividend yield defined as dividend per share paid out in year 2020/share price year end 2020. Peer group includes (in alphabetical order): Upstream: Alcoa, Century, Chalco, Hindalco, Rusal Downstream: Amag, Arconic, Constellium, Kaiser

Capital return dashboard for 2020



Hydro targets uRoacE above 10% over the cycle

Capital employed¹⁾



Capital returns

URoacE
3.7%²⁾

10% target over the cycle

Balance sheet

FFO/aND
39%^{3,4)}

>40% target over the cycle

Free cash flow

NOK 7.7 billion⁵⁾

Lifting free cash flow

Improvement program

Achieved NOK 4.2 billion

2025 target 8.5 BNOK
2021 target NOK 6.0 billion

Net operating capital

NOK 2.4 billion release

Optimizing net operating capital

Capex

NOK 6.4 billion⁶⁾

2021 target NOK 9.5 – 10 billion (NOK ~700 million carried over from 2020)
2022-2025 target NOK 9.0 – 9.5 billion

Shareholder payout

1.25 NOK/share⁷⁾

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 Hydro (Annual definition) calculated as underlying EBIT last 4 quarters less Income tax expense adjusted for tax on financial items/ Average capital employed last 4 quarters.

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

4) From 2021, Hydro will replace this measure with a goal of net debt excluding equity accounted investments over uEBITDA < 2x than 2x

5) Free cash flow – operating cash flow less investing cash flow excl. sales/purchases of short-term investments
6) CAPEX reduced by ~25% in 2020 in response to Covid-19; Excluding NOK (0.1) billion from, e.g., changes in prepayments/payables for capex. Cash effective capex based on the cash flow statement amounts to NOK 6.5 billion (adjusted for changes in short-term investments)

7) Pending approval from the AGM on May 06, 2021

Cautionary note



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

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

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



Additional information

Driving long-term shareholder value

Financial ambitions and targets

Financial strength and flexibility

- Maintain investment grade credit rating
 - Currently BBB (S&P), Baa3 (Moody's)
- Balance sheet ratio
 - Target to maintain Adjusted net debt excl EAI / uEBITDA < 2x over the cycle ¹⁾
- Strong liquidity

Roadmap to profitability targets

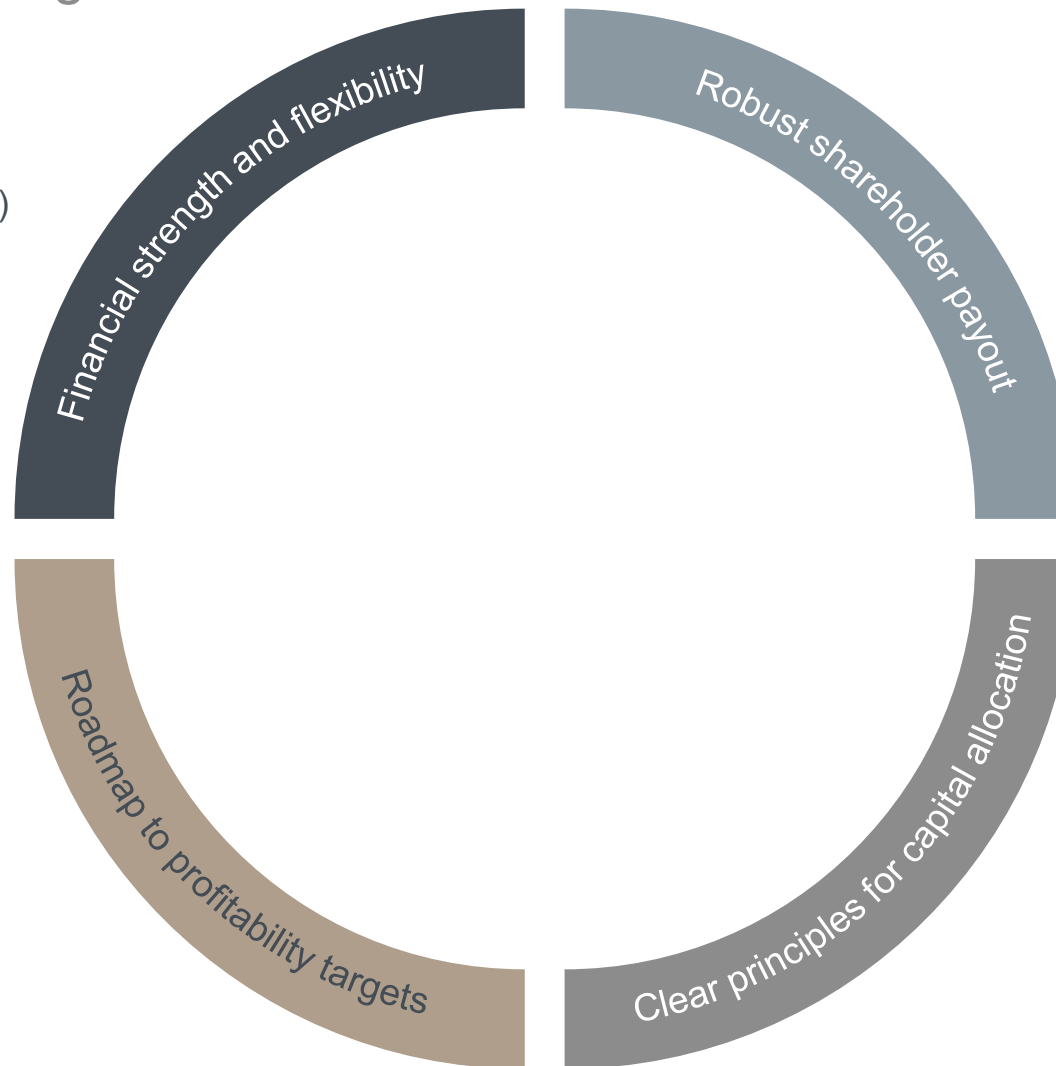
- URoaCE > 10% over the cycle for Hydro group
- URoaCE > CoC for business areas over the cycle
- Differentiated return requirements by and within business areas

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

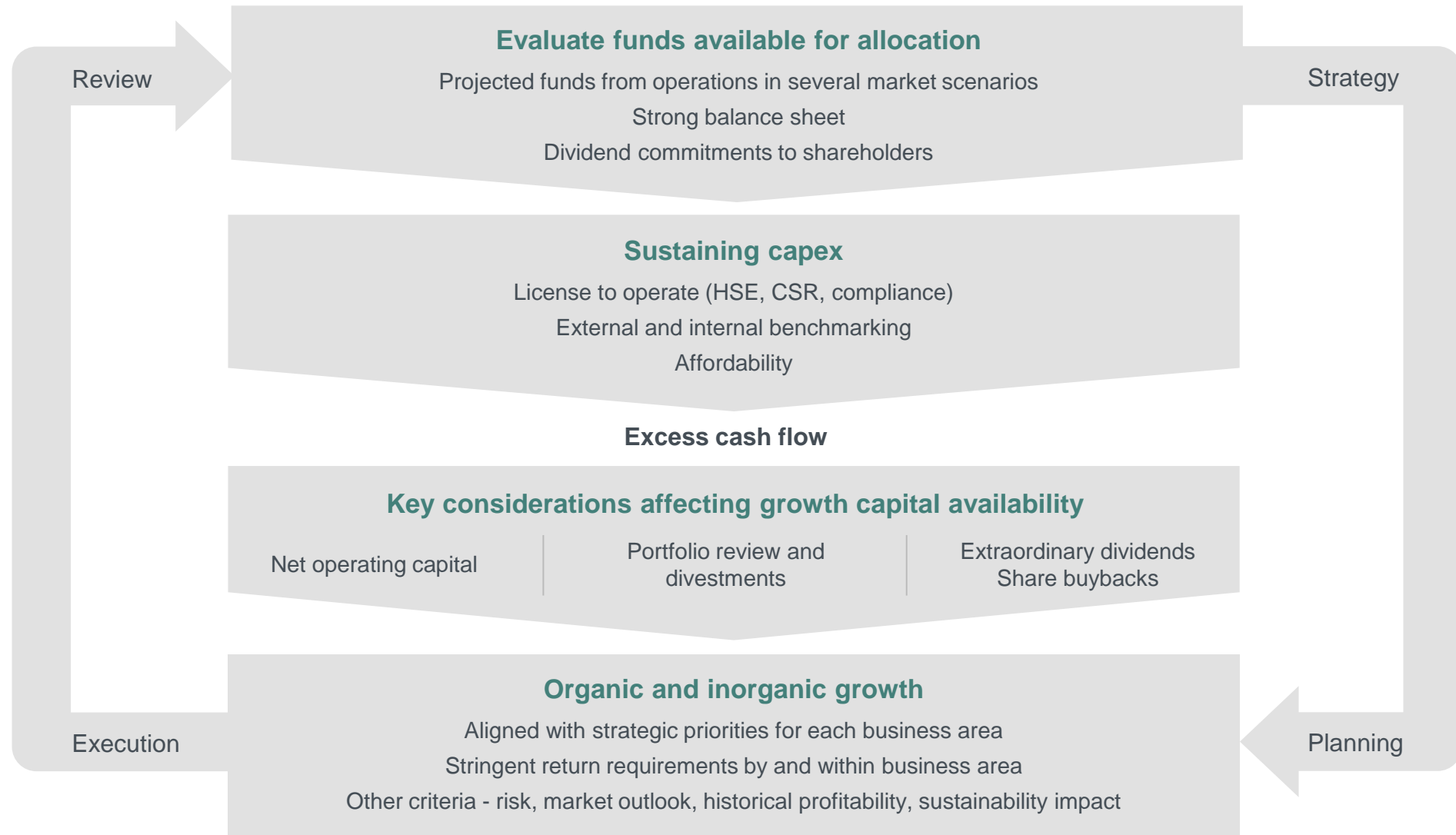
Clear principles for capital allocation

- 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) Consistent with previous target to maintain funds from operations / Adjusted net debt incl EAI > 40% over the cycle

Clear principles for capital allocation



Shareholder and financial policy

- Aiming for competitive shareholder returns and dividend yield compared to alternative investments in peers
- Dividend policy
 - Average ordinary payout ratio: 40% of reported net income over the cycle
 - 1.25 NOK/share to be considered as a floor, as of Q4 2020
 - 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 2016-2020 of ~65% ¹⁾
- Maintain investment-grade credit rating
 - Currently: BBB stable (S&P) & Baa3 negative (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 17.6 billion in cash and cash equivalents, end of Q4 2020
 - USD 1.6 billion in multi-currency revolving credit facility maturing in 2025

Hedging policy



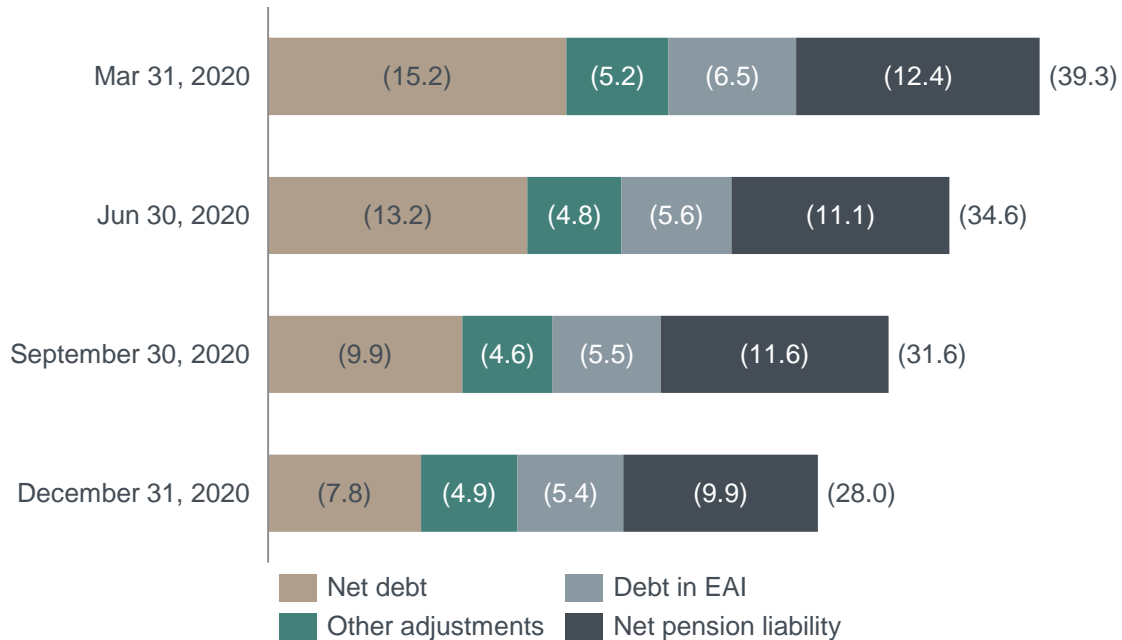
- Hedging strategy
 - Fluctuating with the market: primarily exposed to LME and USD
 - Volatility mitigated by strong balance sheet
 - Strengthening relative position to ensure competitiveness
- Diversified business
 - Upstream cyclicalities balanced with more stable earnings downstream
 - Exposed to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

Maintaining a solid balance sheet and investment-grade credit rating

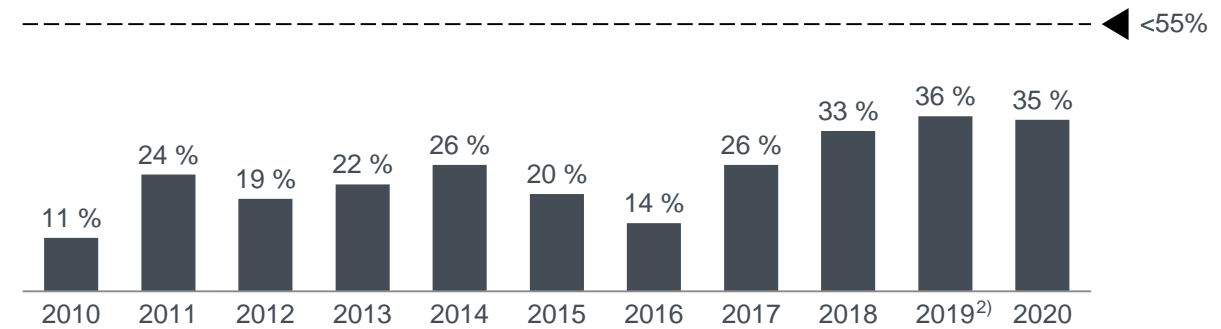


Adjusted net debt

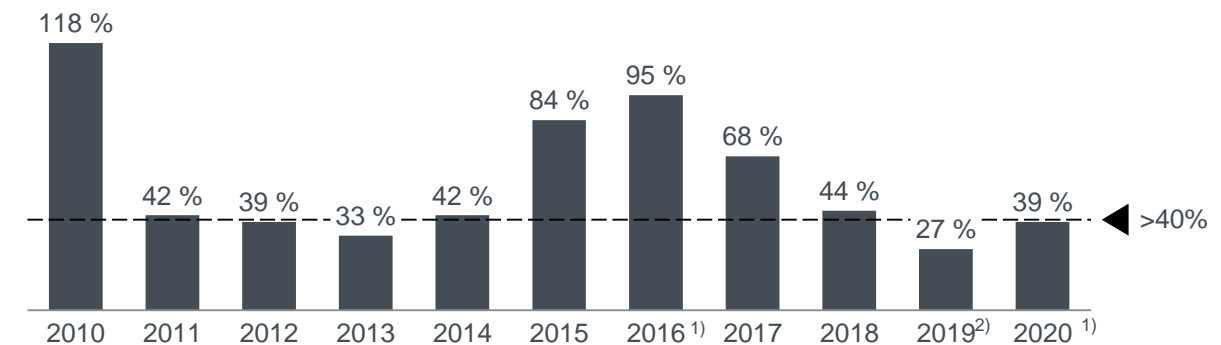
BNOK



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.

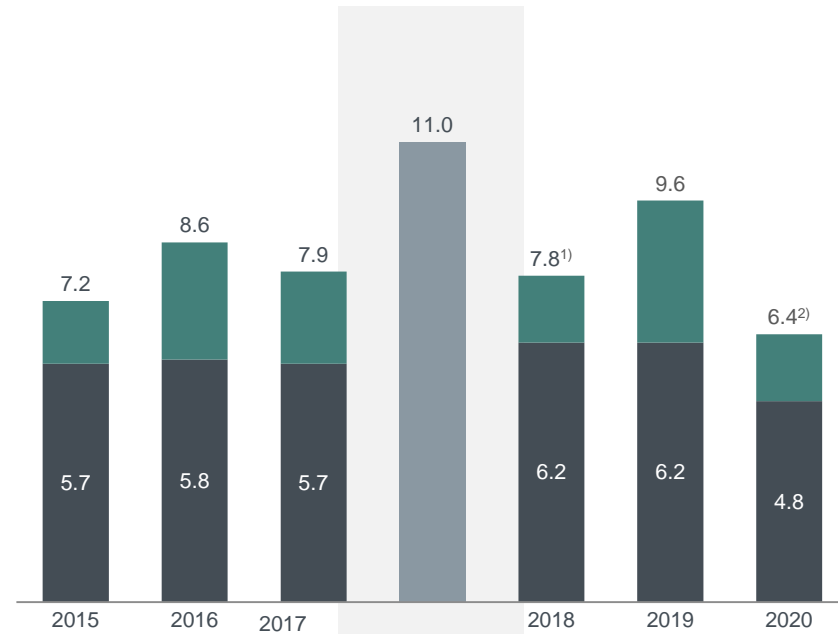
2) 2018 ratios restated for the IFRS16 Leases effect

Capex guidance of 9.5 to 10 billion in 2021

Expectation of NOK 9 to 9.5 billion from 2022 to 2025



Historical capex
NOK Billion

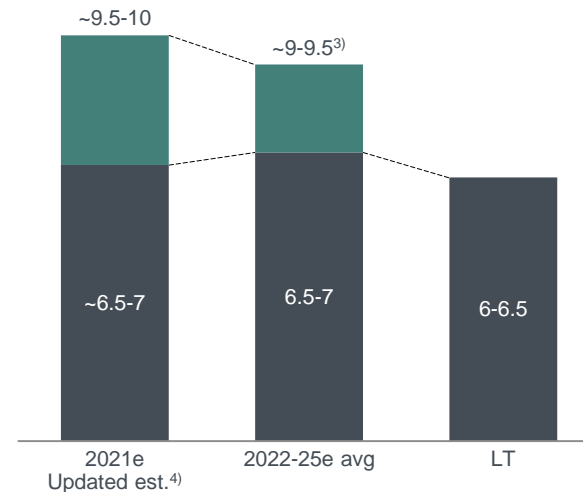


- Sapa acquisition
- Growth and return-seeking capex
- Sustaining capex

Capex including Extruded Solutions

- 1) Excluding the Pis/Cofins adjustments in Brazil in 2018. Including the adjustment, 2018 capex amounted to BNOK 7.0
- 2) Excluding NOK (0.1) billion from, e.g., changes in prepayments/payables for capex. Cash effective capex based on the cash flow statement amounts to NOK 6.5 billion (adjusted for changes in short-term investments)
- 3) Growth and return-seeking capex guidance 2022-25 avg only includes capex necessary for delivering on targeted improvement ambitions and commercial initiatives
- 4) NOK 700 million of CAPEX carried over from 2020 to 2021; however; sum of total CAPEX in 2020 and 2021 unchanged from original guidance at 2020 Capital Markets Day

Guidance capex LT
NOK Billion



Sustaining projects

- New mining area in Paragominas (from 2022)
- Pipeline replacement
- Upgrades to Alunorte
- Smelter relining and asset integrity in Primary Metal

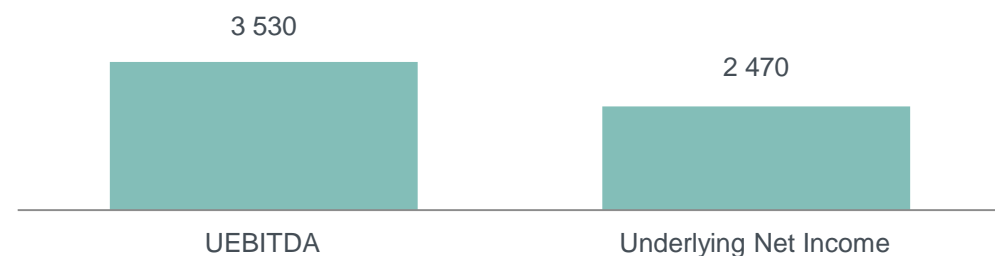
Growth and return-seeking

- Selected customer-driven projects in Extruded Solutions
- Recycling
- Energy wind and battery storage
- Fuel switch project

Significant exposure to commodity and currency fluctuations

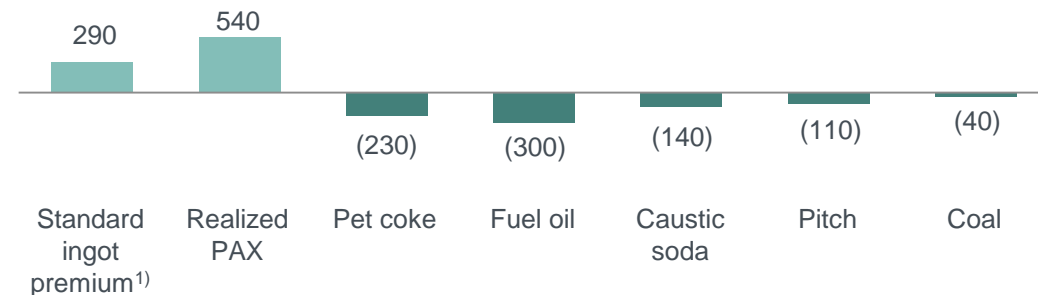
Aluminium price sensitivity +10%

NOK million



Other commodity prices, sensitivity +10%

NOK million



Currency sensitivities +10%

Sustainable effect:

NOK million	USD	BRL	EUR
UEBITDA	3 620	(710)	~0

One-off reevaluation effect:

Financial items	(240)	680	(3 960)
-----------------	-------	-----	---------

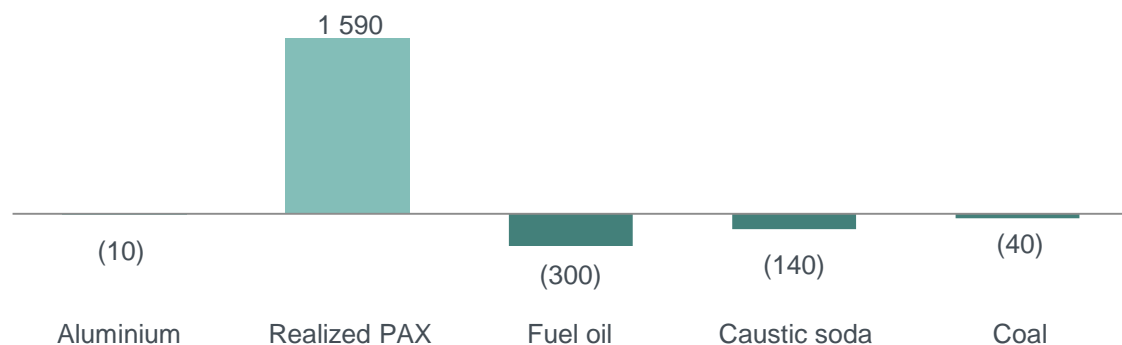
- Annual underlying (unhedged) sensitivities based on normal annual business volumes, LME USD 1790 per mt, standard ingot premium 135 USD/mt, PAX 275 USD/mt, fuel oil USD 480 per mt, petroleum coke USD 265 per mt, pitch 565 EUR/t, caustic soda USD 245 per mt, coal USD 55 per mt, USD/NOK 9.13, BRL/NOK 1.67, EUR/NOK 10.47
- 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
- 2021 Platts alumina index (PAX) exposure used
- U NI sensitivity calculated as UEBITDA sensitivity after 30% tax

1) Europe duty paid

Bauxite & Alumina sensitivities

Annual sensitivities on underlying EBITDA if +10% in price

NOK million



Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBITDA	920	(470)	-

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

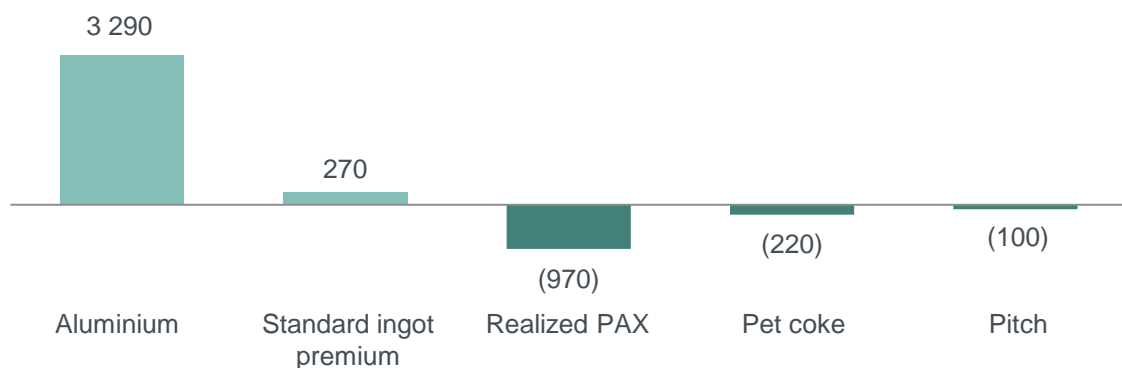
- ~0.12 tonnes coal per tonne alumina, Platts prices, one year volume contracts, weekly per shipment pricing
- ~0.11 tonnes heavy fuel oil per tonne alumina, prices set by ANP/Petrobras in Brazil, weekly pricing (ANP) or anytime (Petrobras)
- Increased use of coal as energy source in Alunorte

Primary Metal sensitivities



Annual sensitivities on underlying EBITDA if +10% in price

NOK million



Currency sensitivities +10%

NOK million	USD	BRL	EUR
UEBITDA	2 200	(250)	(540)

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	Q4 2020	Year 2020
Alunorte agreements – provision	Hydro Bauxite & Alumina	129	-	-	-	129
Unrealized derivative effects on Raw material contracts	Hydro Bauxite & Alumina	-	-	-	5	5
Total impact	Hydro Bauxite & Alumina	129	-	-	5	134
Unrealized derivative effects on LME related contracts	Hydro Aluminium Metal	(64)	200	(198)	(99)	(160)
Unrealized effects on power contracts	Hydro Aluminium Metal	(147)	48	165	153	218
Impairment charges	Hydro Aluminium Metal	-	504	-	-	504
Other effects	Hydro Aluminium Metal	-	(12)	(30)	(90)	(131)
Total impact	Hydro Aluminium Metal	(211)	740	(63)	(36)	430
Unrealized derivative effects on LME related contracts	Hydro Metal Markets	(224)	340	(187)	32	(38)
Total impact	Hydro Metal Markets	(224)	340	(187)	32	(38)
Unrealized derivative effects on LME related contracts	Hydro Rolling	177	(94)	(63)	(24)	(4)
Metal effect	Hydro Rolling	130	165	95	(93)	298
Significant rationalization charges and closure costs	Hydro Rolling	-	-	61	(48)	14
Other effects	Hydro Rolling	(76)	(50)	(34)	(12)	(173)
Total impact	Hydro Rolling	230	22	59	(176)	135
Unrealized derivative effects on LME related contracts	Hydro Extrusions	114	13	(201)	(57)	(129)
Impairment charges	Hydro Extrusions	12	1 483	77	52	1 625
Significant rationalization charges and closure costs	Hydro Extrusions	4	134	(20)	70	187
Transaction related effects	Hydro Extrusions	(57)	6	-	14	(37)
Other effects	Hydro Extrusions	-	-	-	102	102
Total impact	Hydro Extrusions	74	1 637	(143)	181	1 748
Unrealized derivative effects on power contracts	Hydro Energy	(17)	33	14	(5)	25
(Gains) / losses on divestments	Hydro Energy	-	-	-	(5 308)	(5 308)
Total impact	Hydro Energy	(17)	33	14	(5 313)	(5 283)
Unrealized derivative effects on power contracts	Other and eliminations	(19)	(19)	(19)	(19)	(76)
Unrealized derivative effects on LME related contracts	Other and eliminations	(16)	18	(7)	(2)	(8)
Impairment charges	Other and eliminations	-	(161)	-	-	(161)
(Gains) / losses on divestments	Other and eliminations	-	-	(65)	3	(62)
Other effects	Other and eliminations	-	-	(4)	4	-
Total impact	Other and eliminations	(35)	(162)	(96)	(14)	(307)
Items excluded from underlying EBIT	Hydro	(54)	2 610	(415)	(5 322)	(3 181)
Net foreign exchange (gain)/loss	Hydro	4 553	(735)	1 523	(1 479)	3 861
Other finance (income) expense	Hydro	-	-	-	(128)	(128)
Items excluded from underlying income (loss) before tax	Hydro	4 499	1 875	1 108	(6 929)	552
Calculated income tax effect	Hydro	(1 322)	(221)	(336)	486	(1 393)
Items excluded from underlying net income (loss)	Hydro	3 176	1 654	771	(6 443)	(841)

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	Q4 2020	Year 2018	Year 2019	Year 2020
Hydro Bauxite & Alumina	741	364	685	493	153	415	481	(75)	535	1 047	108	116	2 282	974	1 806
Hydro Aluminium Metal	823	755	861	(677)	(771)	(604)	(39)	155	573	(37)	(156)	844	1 762	(1 259)	1 225
Hydro Metal Markets	178	237	(3)	275	190	299	362	132	261	21	198	248	686	983	728
Hydro Rolling	232	212	82	(113)	138	75	166	34	299	(57)	17	(188)	413	413	70
Hydro Extrusions	734	957	497	202	593	772	559	85	702	89	894	511	2 390	2 009	2 196
Hydro Energy	278	417	652	500	517	176	254	296	437	53	132	352	1 846	1 243	974
Other and Eliminations	161	(229)	(97)	(145)	(261)	(258)	(417)	(67)	(560)	(166)	213	(435)	(310)	(1 003)	(948)
Total	3 147	2 713	2 676	534	559	875	1 366	560	2 247	949	1 407	1 449	9 069	3 359	6 051

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	Q4 2020	Year 2018	Year 2019	Year 2020
Hydro Bauxite & Alumina	1 370	937	1 193	877	758	1 004	1 071	504	1 102	1 550	578	587	4 377	3 337	3 817
Hydro Aluminium Metal	1 349	1 309	1 424	(176)	(180)	(27)	550	812	1 197	560	404	1 432	3 906	1 155	3 593
Hydro Metal Markets	201	262	22	301	219	328	395	167	296	58	233	287	786	1 110	875
Hydro Rolling	456	438	314	133	384	326	430	308	588	249	316	114	1 340	1 448	1 267
Hydro Extrusions	1 155	1 383	931	645	1 099	1 279	1 099	655	1 242	649	1 412	1 044	4 114	4 132	4 348
Hydro Energy	339	479	716	566	583	242	319	365	505	122	200	419	2 100	1 509	1 245
Other and Eliminations	169	(223)	(90)	(135)	(231)	(224)	(385)	(19)	(528)	(138)	244	(407)	(280)	(859)	(828)
Total	5 038	4 586	4 510	2 210	2 633	2 928	3 479	2 792	4 403	3 050	3 387	3 476	16 344	11 832	14 316

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	Q4 2020	Year 2018	Year 2019	Year 2020
Hydro Bauxite & Alumina	741	364	166	493	118	401	450	(221)	406	1 047	108	111	1 763	749	1 672
Hydro Aluminium Metal	917	776	954	(524)	(919)	(554)	30	(394)	784	(777)	(93)	880	2 123	(1 838)	794
Hydro Metal Markets	305	270	(107)	419	(31)	361	381	38	485	(319)	385	216	886	748	766
Hydro Rolling	78	353	223	(319)	(53)	12	(978)	155	68	(79)	(42)	(12)	336	(865)	(65)
Hydro Extrusions	687	1 109	286	(307)	644	483	449	(223)	628	(1 548)	1 038	331	1 774	1 353	449
Hydro Energy	278	417	652	507	510	174	295	312	454	20	118	5 665	1 853	1 291	6 258
Other and Eliminations	295	(303)	(117)	(89)	(249)	(220)	(405)	(65)	(525)	(5)	309	(420)	(214)	(939)	(642)
Total	3 301	2 986	2 057	178	20	656	222	(399)	2 301	(1 661)	1 822	6 770	8 522	499	9 232

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	Q4 2020	Year 2018	Year 2019	Year 2020
Hydro Bauxite & Alumina	1 370	937	674	877	724	989	1 040	504	973	1 550	578	582	3 858	3 258	3 683
Hydro Aluminium Metal	1 443	1 330	1 517	(23)	(328)	23	619	769	1 408	324	467	1 468	4 267	1 081	3 667
Hydro Metal Markets	329	295	(82)	445	(2)	390	414	73	521	(282)	420	254	986	875	913
Hydro Rolling	302	580	455	(73)	194	263	(715)	429	358	228	257	290	1 263	170	1 132
Hydro Extrusions	1 108	1 534	720	136	1 150	1 017	1 085	479	1 181	496	1 633	915	3 498	3 731	4 225
Hydro Energy	339	479	716	573	576	240	361	380	523	88	186	5 732	2 107	1 558	6 529
Other and Eliminations	302	(296)	(110)	(80)	(219)	(186)	(373)	(17)	(493)	(137)	339	(392)	(183)	(795)	(683)
Total	5 193	4 860	3 890	1 854	2 094	2 737	2 430	2 617	4 470	2 267	3 879	8 850	15 796	9 878	19 465

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	Q4 2020	Year 2018	Year 2019	Year 2020
Hydro Bauxite & Alumina	6 309	6 877	6 749	8 613	4 866	5 745	6 211	5 983	6 029	6 173	5 334	5 503	28 548	22 805	23 039
Hydro Aluminium Metal	10 170	10 083	9 984	9 196	9 023	8 937	8 718	8 497	9 753	7 720	8 228	8 702	39 434	35 175	34 404
Hydro Metal Markets	13 898	14 205	13 230	12 903	12 959	13 301	12 326	11 866	12 912	10 485	11 290	12 178	54 237	50 452	46 865
Hydro Rolling	6 797	7 145	6 791	6 223	6 844	6 623	6 672	6 192	6 597	5 674	5 668	5 965	26 955	26 331	23 903
Hydro Extrusions	15 911	16 980	15 976	15 218	16 013	17 270	15 233	13 835	15 140	11 593	13 372	14 390	64 085	62 351	54 496
Hydro Energy	1 762	2 163	2 488	2 267	2 261	1 815	1 990	2 155	2 115	1 423	1 539	1 890	8 681	8 221	6 967
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)	(12 735)	(62 562)	(55 569)	(51 555)
Total	39 971	41 254	39 766	38 386	37 583	39 176	37 517	35 490	38 124	30 931	33 169	35 894	159 377	149 766	138 118

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	Q4 2020	Year 2018	Year 2019	Year 2020
Hydro Bauxite & Alumina	3 509	3 640	3 016	4 232	2 370	2 692	3 684	3 509	3 249	3 792	3 167	3 173	14 396	12 255	13 381
Hydro Aluminium Metal	2 018	1 993	2 312	1 505	1 390	1 457	1 642	1 651	1 968	1 393	1 632	2 046	7 829	6 141	7 039
Hydro Metal Markets	10 901	10 905	10 575	10 121	10 139	10 577	9 742	9 706	10 353	8 510	9 242	9 788	42 502	40 164	37 893
Hydro Rolling	6 870	7 011	6 773	6 287	6 777	6 654	6 639	6 109	6 701	5 604	5 644	6 041	26 940	26 179	23 989
Hydro Extrusions	15 932	16 877	15 934	15 280	15 924	17 271	15 214	13 801	15 215	11 581	13 344	14 401	64 023	62 211	54 542
Hydro Energy	738	823	1 151	961	983	519	594	712	633	47	137	443	3 673	2 808	1 261
Other and Eliminations	4	6	5	(1)	-	5	1	2	5	3	3	2	14	8	13
Total	39 971	41 254	39 766	38 386	37 583	39 176	37 517	35 490	38 124	30 931	33 169	35 894	159 377	149 766	138 118

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	Q4 2020	Year 2018	Year 2019	Year 2020
Hydro Bauxite & Alumina	2 800	3 237	3 733	4 381	2 496	3 052	2 527	2 474	2 780	2 380	2 168	2 330	14 152	10 550	9 658
Hydro Aluminium Metal	8 152	8 090	7 672	7 691	7 633	7 480	7 075	6 846	7 785	6 328	6 596	6 656	31 605	29 035	27 365
Hydro Metal Markets	2 997	3 301	2 656	2 781	2 820	2 724	2 584	2 160	2 559	1 975	2 047	2 390	11 735	10 287	8 972
Hydro Rolling	(72)	134	18	(64)	66	(31)	33	83	(104)	69	25	(76)	15	152	(86)
Hydro Extrusions	(21)	103	42	(62)	89	(1)	18	34	(76)	12	28	(11)	61	140	(47)
Hydro Energy	1 024	1 340	1 337	1 306	1 278	1 296	1 397	1 444	1 482	1 376	1 402	1 447	5 007	5 414	5 706
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)	(12 737)	(62 576)	(55 577)	(51 568)
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	Q4 2020	Year 2018	Year 2019	Year 2020
Hydro Bauxite & Alumina	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hydro Aluminium Metal	210	280	238	(5)	32	24	150	65	40	26	6	185	722	270	256
Hydro Metal Markets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hydro Rolling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hydro Extrusions	17	11	14	10	12	5	-	-	-	-	-	-	53	18	-
Hydro Energy	(10)	(11)	(4)	(11)	(9)	(9)	(4)	(7)	(12)	(5)	(16)	(6)	(35)	(29)	(39)
Other and Eliminations	3	5	(20)	35	(32)	27	(23)	10	(31)	28	34	(24)	24	(18)	7
Total	221	286	229	30	3	47	123	68	(4)	48	24	155	765	241	223

Operating segment information



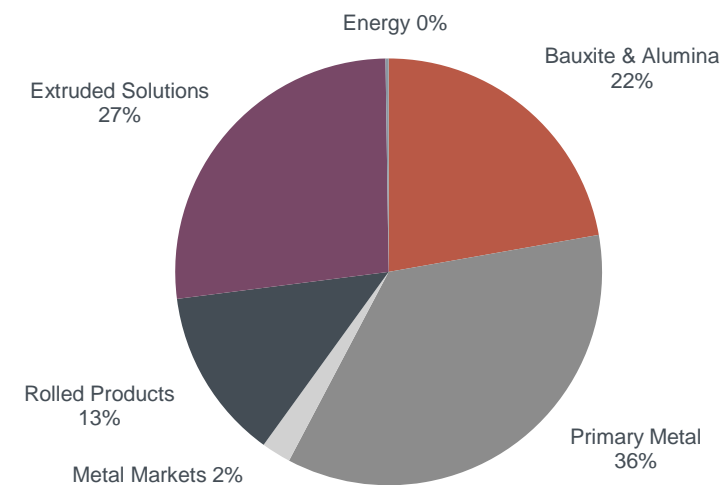
Return on average capital employed ¹⁾ (RoaCE)

	Reported RoaCE						
	2020	2019	2018	2017	2016	2015	2014
Hydro Bauxite & Alumina	5.4%	1.9%	4.6%	8.5%	2.7%	5.3%	(0.1)%
Hydro Aluminium Metal	1.9%	(3.9)%	5.6%	11.8%	5.2%	10.7%	10.4%
Hydro Metal Markets	22.5%	20.7%	25.1%	18.6%	19.6%	5.4%	21.9%
Hydro Rolling	(0.4)%	(5.0)%	1.9%	3.2%	6.2%	1.1%	8.6%
Hydro Extrusions ²⁾	1.3%	3.8%	5.3%	13.4%			
Hydro Energy	249.5%	14.7%	19.4%	17.5%	18.1%	17.2%	17.4%
Hydro Group	7.5%	(0.9)%	6.0%	11.2%	6.5%	7.5%	4.9%

	Underlying RoaCE						
	2020	2019	2018	2017	2016	2015	2014
Hydro Bauxite & Alumina	5.9%	2.5%	6.0%	8.5%	2.8%	5.3%	(0.1)%
Hydro Aluminium Metal	2.9%	(2.6)%	4.7%	12.6%	5.2%	11.0%	10.4%
Hydro Metal Markets	21.4%	27.3%	19.4%	20.9%	15.9%	11.4%	19.4%
Hydro Rolling	0.4%	2.4%	2.3%	2.4%	4.6%	7.8%	5.3%
Hydro Extrusions ²⁾	6.2%	5.7%	7.2%	6.6%			
Hydro Energy	8.7%	12.9%	18.8%	17.5%	18.1%	17.3%	17.4%
Hydro Group	3.7%	1.3%	6.6%	9.6%	5.1%	9.2%	5.2%

Capital employed – upstream focus

NOK million	Dec 31, 2020
Hydro Bauxite & Alumina	21 502
Hydro Aluminium Metal	32 104
Hydro Metal Markets	1 708
Hydro Rolling	11 558
Hydro Extrusions	22 683
Hydro Energy	6 700
Other and Eliminations	(9 080)
Total	87 174



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 Hydro 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) Hydro Extrusions reflected as 50% equity accounted investment Q1-Q3 2017 and fully consolidated from Q4 2017

Operating segment information



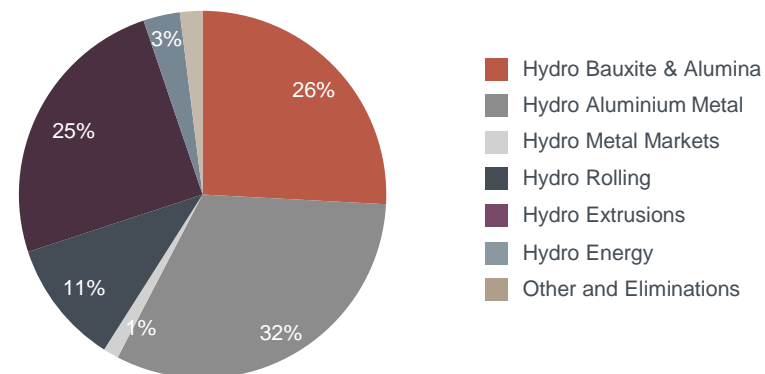
Depreciation, amortization and impairment

NOK million	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2018	Year 2019	Year 2020
Hydro Bauxite & Alumina	630	573	509	384	605	589	590	725	567	503	470	472	2 095	2 509	2 011
Hydro Aluminium Metal	546	575	583	548	619	605	616	1 191	655	1 130	589	618	2 253	3 030	2 992
Hydro Metal Markets	24	25	25	26	29	29	33	37	36	37	35	40	101	129	149
Hydro Rolling	223	227	231	246	247	251	264	274	290	307	299	302	927	1 036	1 197
Hydro Extrusions	421	425	434	443	506	535	639	704	554	2 046	597	587	1 723	2 384	3 785
Hydro Energy	58	59	61	63	62	62	62	66	65	65	64	66	239	253	260
Other and Eliminations	7	7	7	10	30	34	32	48	33	(132)	31	28	30	144	(41)
Total	1 909	1 891	1 851	1 719	2 098	2 105	2 236	3 045	2 199	3 956	2 085	2 112	7 369	9 485	10 353

Indicative depreciation currency exposure by business area

Percent	USD	EUR	BRL	NOK & Other
Hydro Bauxite & Alumina			100%	
Hydro Aluminium Metal	30%	5%	15%	50%
Hydro Metal Markets	35%	50%		15%
Hydro Rolling		90%		10%
Hydro Extrusions	50%	35%		15%
Hydro Energy				100%
Other and Eliminations	5%	30%	5%	60%

Depreciation by business area 2020, 10.4 BNOK



Income statements



NOK million	Q4 2020	Q4 2019	Q3 2020	Year 2020	Year 2019
Revenue	35 894	35 490	33 169	138 118	149 766
Share of the profit (loss) in equity accounted investments	155	68	24	223	241
Other income, net	5 689	409	661	7 519	1 000
Total revenue and income	41 739	35 967	33 854	145 861	151 007
Raw material and energy expense	21 681	22 328	20 236	84 592	97 474
Employee benefit expense	5 891	5 928	5 609	23 767	24 871
Depreciation and amortization expense	2 050	2 258	2 010	8 374	8 572
Impairment of non-current assets	63	786	75	1 979	912
Other expenses	5 284	5 065	4 102	17 917	18 678
Earnings before financial items and tax (EBIT)	6 770	(399)	1 822	9 232	499
Financial income	101	140	66	290	365
Financial expense	1 255	92	(1 853)	(5 013)	(2 420)
Income (loss) before tax	8 126	(168)	35	4 509	(1 556)
Income taxes	(849)	(497)	(256)	(950)	(813)
Net income (loss)	7 277	(665)	(221)	3 560	(2 370)
Net income (loss) attributable to non-controlling interests	(252)	189	-	185	(558)
Net income (loss) attributable to Hydro shareholders	7 025	(476)	(222)	3 745	(1 811)
Earnings per share attributable to Hydro shareholders	3.43	(0.23)	(0.11)	1.83	(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	Q4 2020	Year 2018	Year 2019	Year 2020
Net income (loss)	2 076	2 073	925	(750)	(124)	(190)	(1 390)	(665)	(2 025)	(1 471)	(221)	7 277	4 323	(2 370)	3 560
Underlying net income (loss)	2 201	2 096	1 696	(175)	124	281	606	(303)	1 151	183	550	834	5 819	708	2 718
Earnings per share	1.02	1.03	0.37	(0.34)	0	(0.04)	(0.62)	(0.23)	(0.88)	(0.61)	(0.11)	3.43	2.08	(0.88)	1.83
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	0.35	2.75	0.52	1.25

Balance sheet



NOK million	Dec 31, 2020	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	17 638	17 495	15 385	12 160	12 286	10 581	10 590	6 099
Short-term investments	4 091	5 399	5 110	1 641	969	929	1 090	1 274
Trade and other receivables	18 364	20 268	18 916	24 539	18 959	23 007	23 186	23 542
Inventories	19 492	19 288	20 382	22 464	20 816	21 679	22 718	25 004
Other current financial assets	470	553	687	1 119	635	700	471	349
Property, plant and equipment	66 145	68 657	70 478	77 909	74 243	74 025	73 193	72 882
Intangible assets	9 357	9 903	10 262	12 649	11 501	11 695	11 485	11 133
Investments accounted for using the equity method	17 288	12 048	12 619	13 845	11 501	11 809	10 936	11 349
Prepaid pension	7 064	5 959	5 603	5 242	6 676	5 721	5 986	5 854
Other non-current assets	6 398	6 295	6 704	7 663	6 815	6 877	7 322	7 157
Total assets	166 308	165 865	166 145	179 232	164 401	167 025	166 978	164 644
Bank loans and other interest-bearing short-term debt	4 748	6 915	7 094	7 728	6 157	6 074	8 177	8 913
Trade and other payables	18 948	17 865	16 693	21 558	18 692	19 716	21 014	22 146
Other current liabilities	5 352	3 660	3 721	4 771	4 842	4 095	3 688	4 674
Long-term debt	24 811	25 873	26 595	21 290	18 858	19 985	18 620	10 559
Provisions	5 605	6 144	6 283	6 892	6 515	6 283	5 577	5 673
Pension liabilities	19 167	19 679	18 933	19 893	17 099	17 879	16 646	15 981
Deferred tax liabilities	3 059	2 620	2 562	2 838	3 132	2 911	3 123	3 052
Other non-current liabilities	5 273	6 215	5 401	7 089	5 025	5 435	4 536	4 252
Equity attributable to Hydro shareholders	76 179	73 833	75 633	83 213	79 932	80 275	81 143	84 692
Non-controlling interests	3 165	3 062	3 230	3 959	4 148	4 371	4 452	4 703
Total liabilities and equity	166 308	165 865	166 145	179 232	164 401	167 025	166 978	164 644

Operational data



Hydro Bauxite & Alumina	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2018	Year 2019	Year 2020
Alumina production (kmt)	1 277	829	821	786	805	932	1 320	1 430	1 531	1 442	1 074	1 410	3 712	4 487	5 457
Sourced alumina (kmt)	900	985	907	1 163	711	704	660	769	664	667	940	783	3 954	2 845	3 053
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	2 122	7 607	7 379	8 495
Realized alumina price (USD) ¹⁾	371	430	460	463	373	365	310	281	278	261	260	272	429	326	268
Implied alumina cost (USD) ²⁾	287	367	376	409	311	296	253	255	226	192	228	241	358	275	221
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	2 556	6 214	7 360	8 640
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	1 351	5 202	5 576	6 231
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%	10.7%	15.3%	14.6%	16.6%

Hydro Aluminium Metal ⁵⁾	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2018	Year 2019	Year 2020
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	1 792	2 140	1 827	1 685
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	16 364	17 282	15 975	15 870
Realized premium above LME, USD/mt ⁶⁾	295	364	367	362	344	326	305	257	234	212	211	224	346	308	220
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	2 042	2 791	2 695	2 077
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	9.13	8.08	8.74	9.42
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	1 425	1 825	1 675	1 425
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	1 650	2 175	2 000	1 650
Hydro Aluminium Metal production, kmt	514	492	497	490	485	486	522	545	528	509	522	532	1 993	2 038	2 091
Casthouse production, kmt	531	523	507	496	473	477	509	523	504	478	508	523	2 058	1 982	2 013
Total sales, kmt ¹⁰⁾	578	549	516	503	534	527	537	529	577	510	548	547	2 145	2 127	2 182
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%	16.4%	9.9%	3.3%	10.4%

1) Weighted average of own production and third party contracts, excluding hedge results. The majority of the alumina is sold linked to either the LME prices or alumina index with a one month delay. Sourced alumina volumes have been re-calculated, with Q1 2018 being adjusted accordingly

2) Implied alumina cost (based on EBITDA and sales volume) replaces previous apparent alumina cash cost

3) Paragominas production, on wet basis

4) 40 percent MRN offtake from Vale and 5 percent Hydro share on wet basis

5) Operating and financial information includes Hydro's proportionate share of production and sales volumes in equity accounted investments. Realized prices, premiums and exchange rates exclude equity accounted investments

6) Average realized premium above LME for casthouse sales from Hydro Aluminium Metal

7) Including strategic hedges /hedge accounting applied

8) Realized LME price minus 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



Hydro Metal Markets	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2018	Year 2019	Year 2020
Remelt production (1 000 mt)	150	153	126	135	131	139	125	121	137	88	124	140	563	516	488
Third-party sales (1 000 mt)	70	77	83	73	70	83	82	82	79	85	85	77	304	317	326
Hydro Metal Markets sales excl. ingot trading (1 000 mt) ¹⁾	745	746	685	682	683	707	662	648	675	606	668	672	2 859	2 700	2 621
Hereof external sales excl. ingot trading (1 000 mt)	580	563	543	532	539	556	517	536	554	459	526	549	2 217	2 149	2 088
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	9 788	42 502	40 164	37 893
Hydro Rolling	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2018	Year 2019	Year 2020
Hydro Rolling external shipments (1 000 mt)	245	251	235	220	246	242	245	219	236	198	212	218	951	952	864
Hydro Rolling – Underlying EBIT per mt, NOK	949	844	349	(512)	560	309	678	156	1 266	(289)	78	(859)	435	434	81
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%	1.9%	5.0%	5.5%	5.3%
Hydro Extrusions	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2018	Year 2019	Year 2020
Hydro Extrusions external shipments (1 000 mt)	362	373	343	318	333	348	316	272	305	224	278	291	1 396	1 269	1 099
Hydro Extrusions – 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	1 755	1 712	1 583	1 999
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%	7.2%	6.4%	6.6%	8.0%
Hydro Energy	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2018	Year 2019	Year 2020
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	3 396	10 693	9 150	11 522
Net spot sales, GWh	763	961	1 315	1 166	770	289	582	520	1 169	444	1 401	1 595	4 204	2 161	4 609
Nordic spot electricity price, NOK/MWh	372	373	484	460	457	346	342	390	158	62	95	148	423	384	116
Southern Norway spot electricity price (NO2), NOK/MWh	361	369	475	455	468	360	328	392	154	50	52	137	415	387	98
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%	22.2%	24.2%	18.4%	17.9%

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

2) Underlying EBITDA divided by total revenues

Hydro Extrusions, information by business area



Precision Tubing	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Year 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Year 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020
Volume (kmt)	37	41	41	38	157	34	36	34	31	134	29	17	28	33	108
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	1 583	5 361
Underlying EBITDA (NOKm)	168	120	121	98	507	86	146	140	84	456	118	139	167	178	602
Underlying EBIT (NOKm)	103	55	50	30	237	18	87	74	19	198	57	74	113	115	359

Building Systems	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Year 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Year 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020
Volume (kmt)	20	21	18	19	78	18	22	19	20	79	19	17	19	20	74
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	2 211	8 432
Underlying EBITDA (NOKm)	167	198	130	155	650	104	233	189	148	674	156	206	260	171	792
Underlying EBIT (NOKm)	116	146	70	99	430	22	143	79	47	291	52	101	155	63	371

Other and eliminations	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Year 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Year 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020
Underlying EBITDA (NOKm)	(45)	(46)	(21)	(118)	(230)	(56)	(96)	24	9	(118)	(79)	(48)	(58)	(71)	(256)
Underlying EBIT (NOKm)	(55)	(58)	(35)	(130)	(278)	(58)	(99)	21	3	(132)	(82)	(52)	(61)	(74)	(269)

Extrusion Europe	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Year 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Year 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020
Volume (kmt)	159	160	138	129	586	139	142	120	106	503	127	94	113	118	451
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	5 531	20 843
Underlying EBITDA (NOKm)	417	504	263	201	1 385	346	348	215	203	1 111	436	142	478	466	1 523
Underlying EBIT (NOKm)	246	333	98	27	705	141	144	6	(25)	266	228	(75)	283	266	703

Extrusion North America	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Year 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Year 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Year 2020
Volume (kmt)	152	157	152	137	598	146	148	142	116	553	130	96	119	121	465
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	5 288	20 794
Underlying EBITDA (NOKm)	448	606	439	310	1 802	619	648	532	211	2 082	599	220	563	310	1 691
Underlying EBIT (NOKm)	325	481	314	176	1 295	469	498	378	40	1 385	435	49	402	151	1 036

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 Hydro Extrusions vs "old Sapa".

Next events

Annual report release March 12, 2021

For more information see
www.hydro.com/ir

Investor Relations in Hydro



Line Haugetraa

t: +47 41406376
e: line.haugetraa@hydro.com



Christopher Minora

t: +47 90695131
e: christopher.minora@hydro.com



Aud Helen Halvorsen

t: +47 95182741
e: aud.helen.halvorsen@hydro.com



Hydro

Industries that matter