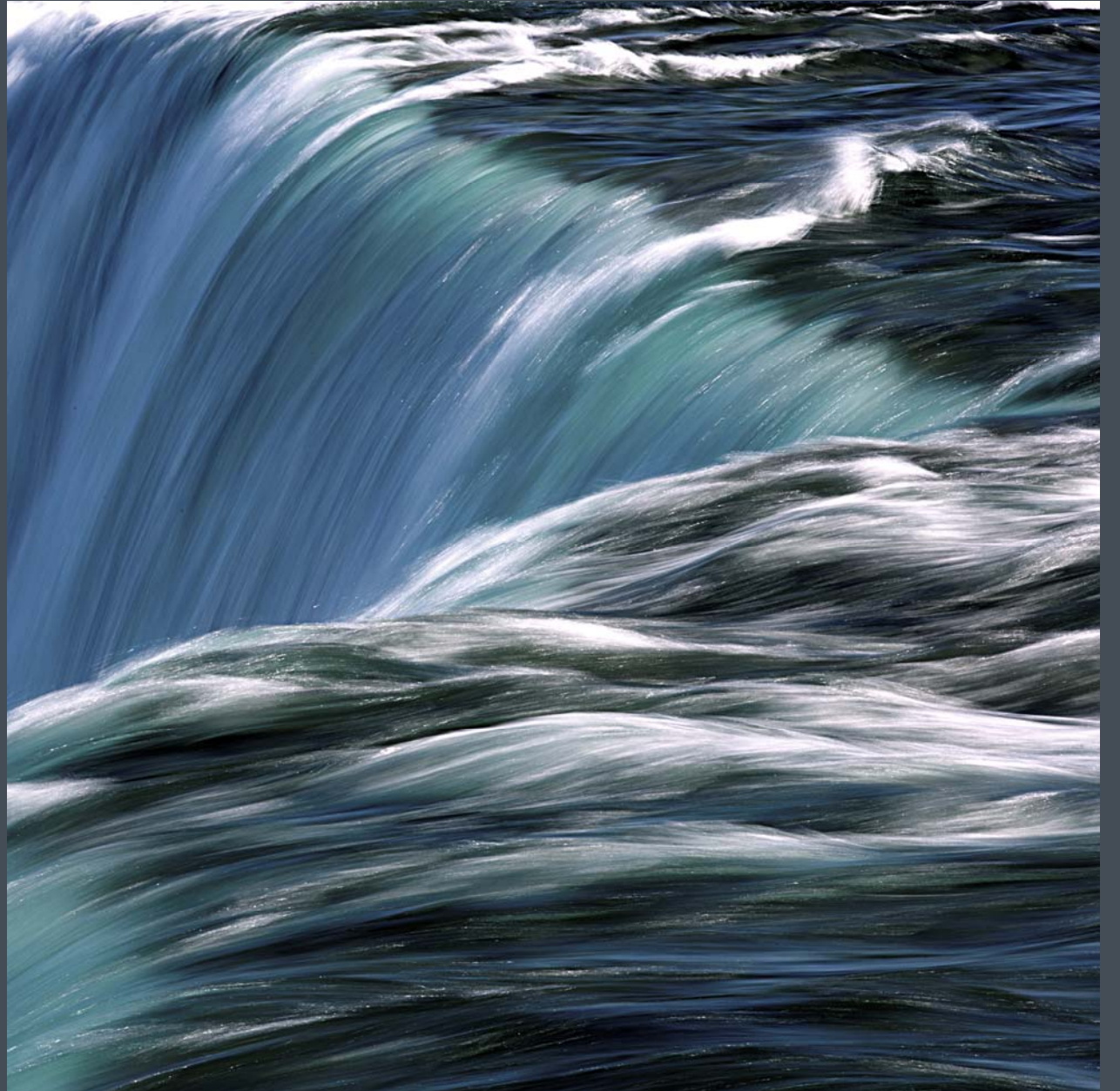




Hydro


Second quarter 2020
Presentation





Firm measures, lower costs in challenging markets

Hilde Merete Aasheim,
President and CEO



Macro uncertainty
amid Covid-19,
strong measures
in response

Positive cost
development,
weaker prices
and downstream
volumes

Record-low
production cost at
Alunorte

Improvement
initiatives running
at full speed

Positioning Hydro
for the future

Q2 2020 – Underlying EBIT NOK 949 million
Free cash flow NOK 1.0 billion

Forceful measures in response to Covid-19

Mitigating actions

- Strict and precautionary actions to ensure health and safety
- Safeguarding operations in Brazil through community support and supply chain contingency plans
- Financial measures to improve robustness and protect liquidity
- Operational measures to adjust capacity to lower demand and reduce costs accordingly



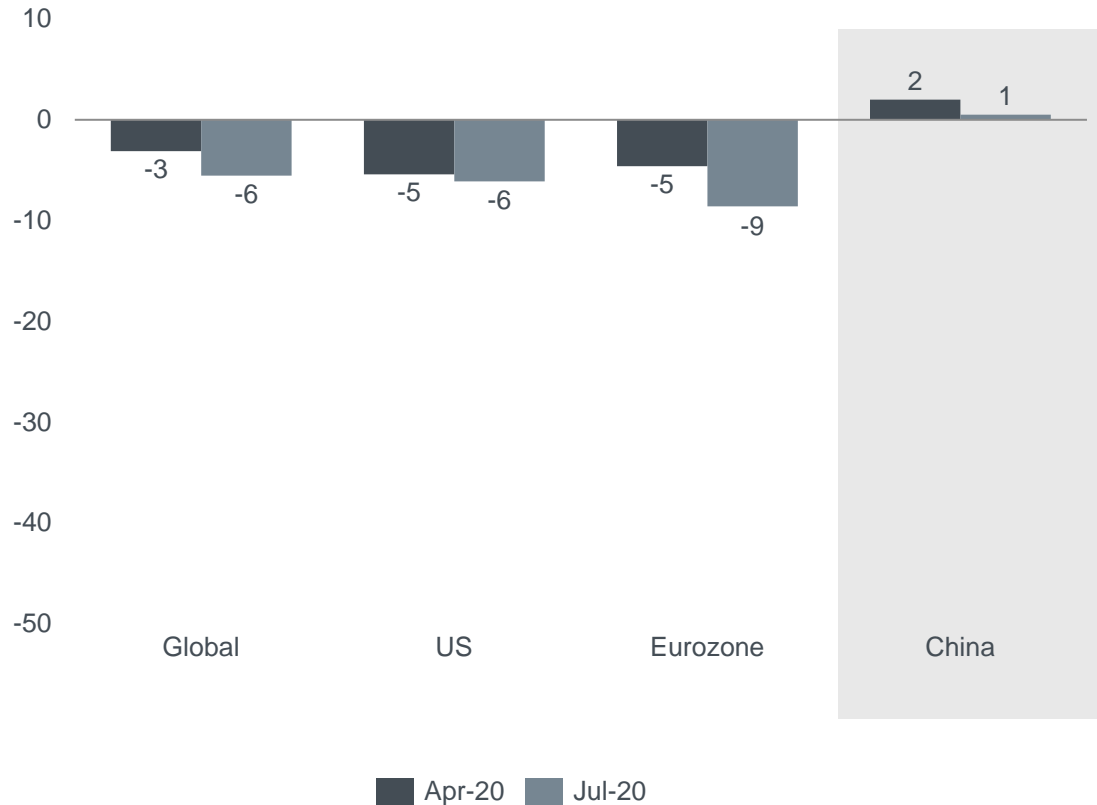
Current operational update

- Downstream and recycling most affected, but improving trend
 - Most plants in Extruded Solutions and Rolled Products operating at reduced capacity
 - Metal Markets recycling facilities largely back to normal
- Bauxite & Alumina, Primary Metal and Energy running mostly as normal

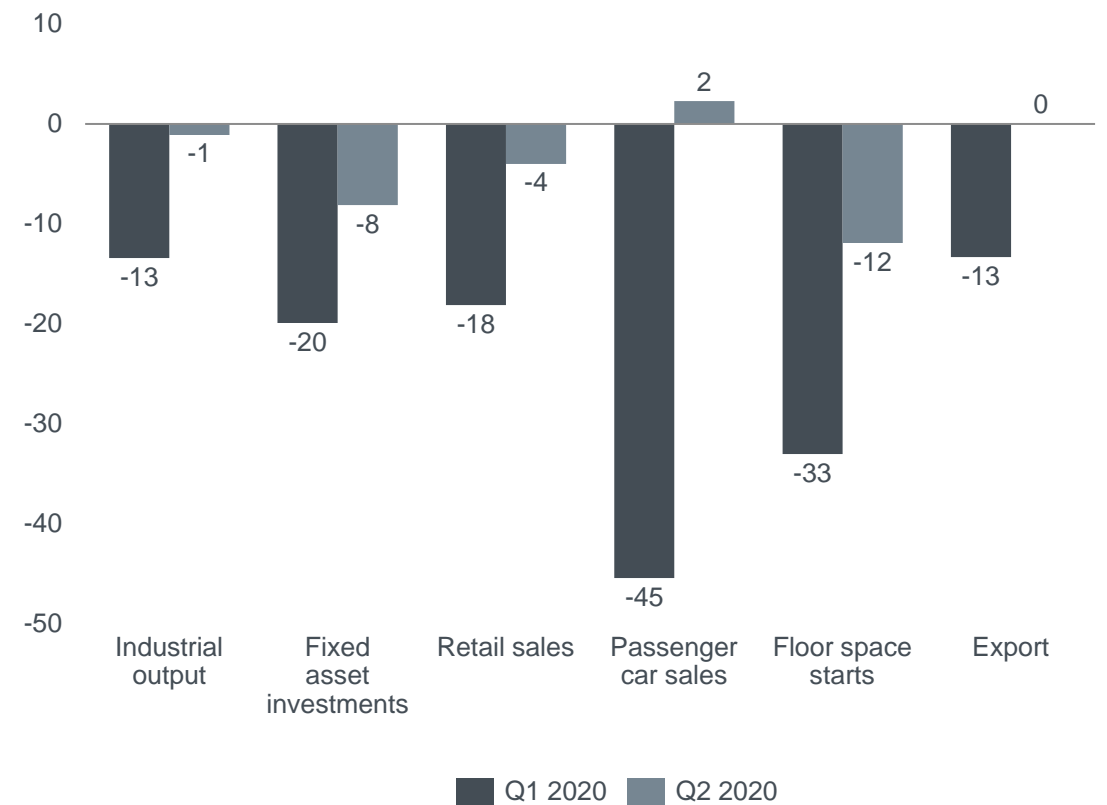


Global economy in recession, Chinese demand showing signs of recovery

Estimated GDP-growth 2020 Y-o-Y, key regions (%)



Chinese key indicators quarterly growth Y-o-Y (%)

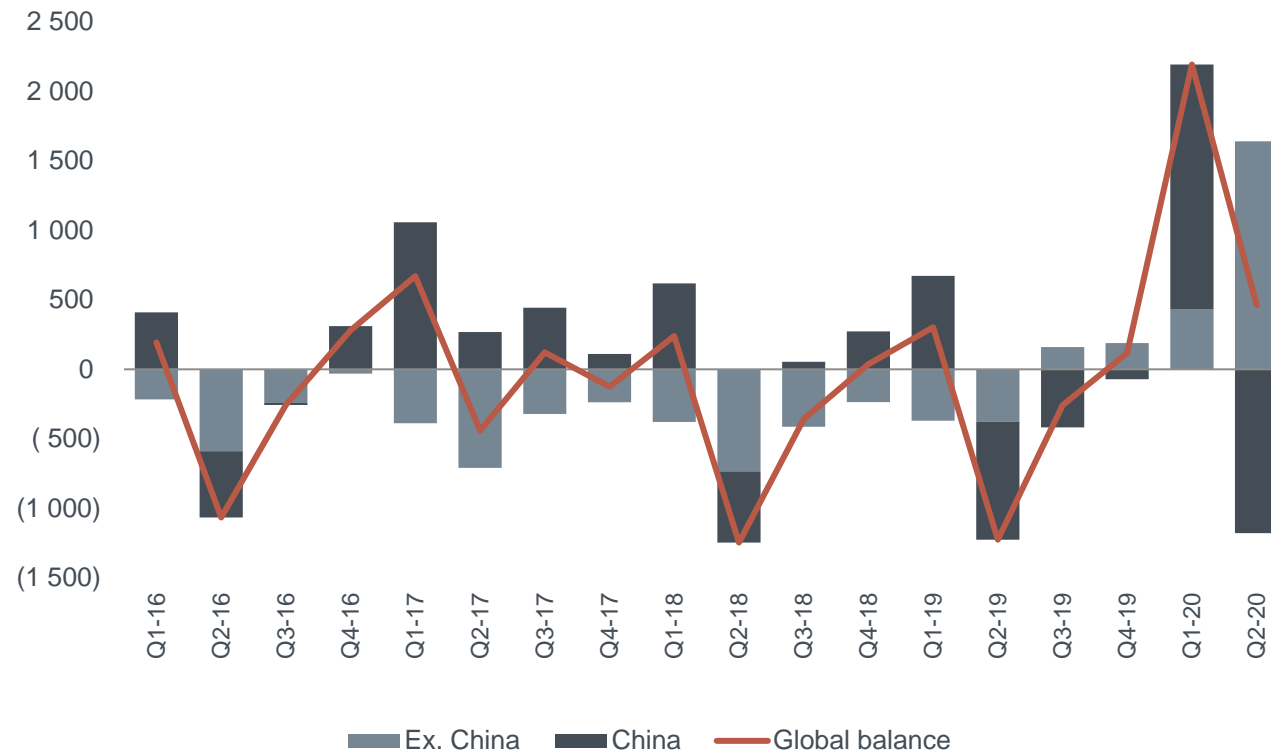


Global aluminum market expected in significant surplus through 2020 driven by Covid-19

Chinese recovery with positive impact

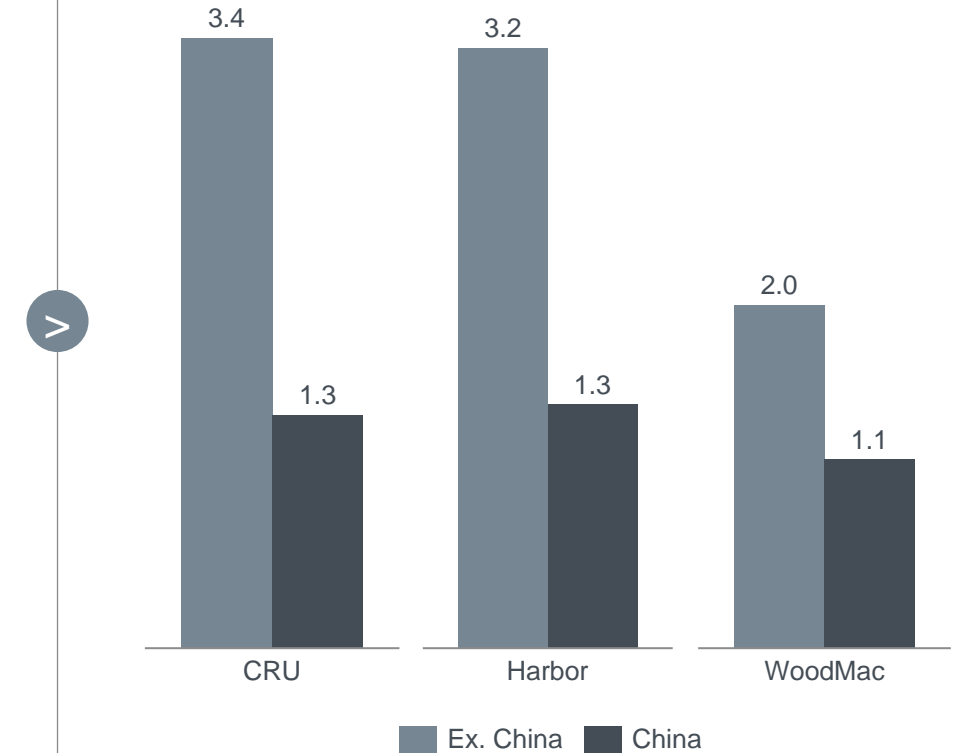
Quarterly market balances, world ex. China and China

Thousand tonnes, primary aluminium



Estimates global balance 2020

Million tonnes, primary aluminium



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

Extruded Solutions volumes down, market showing signs of recovery from lowest levels

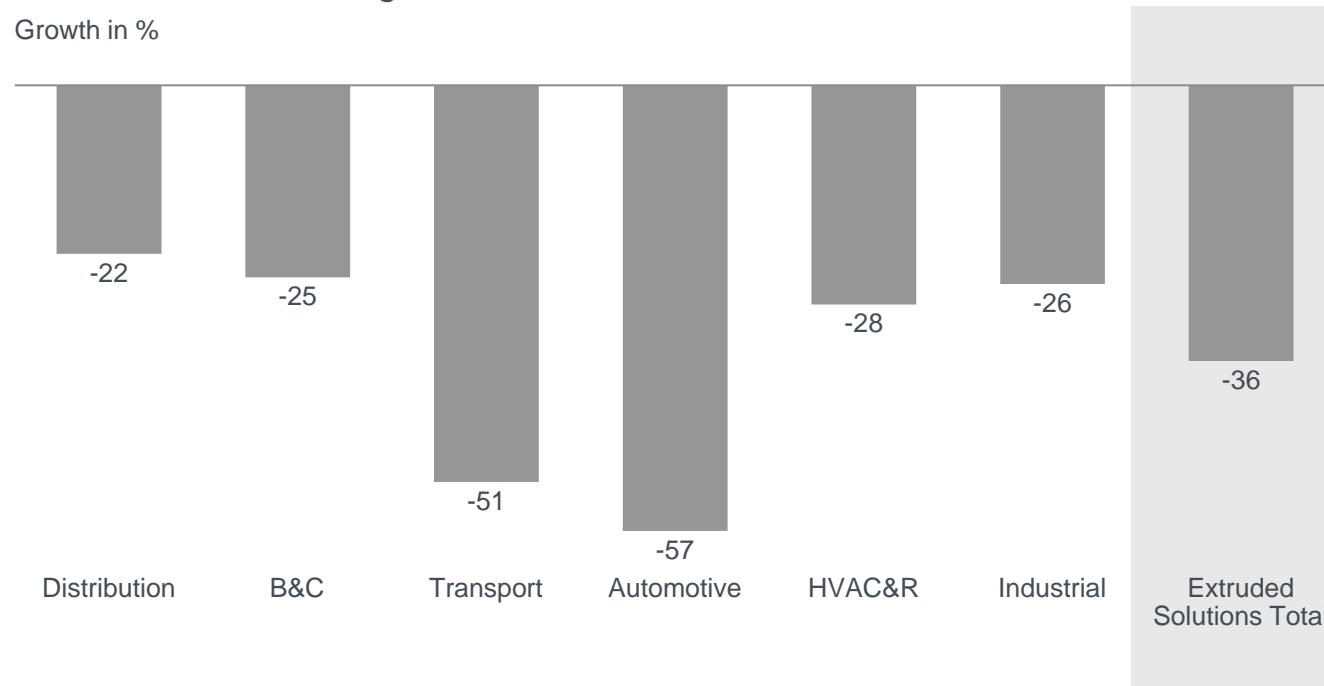


Internal sales volumes - actual

Q2 2020 vs Q2 2019

Extruded Solutions segment sales volume

Growth in %

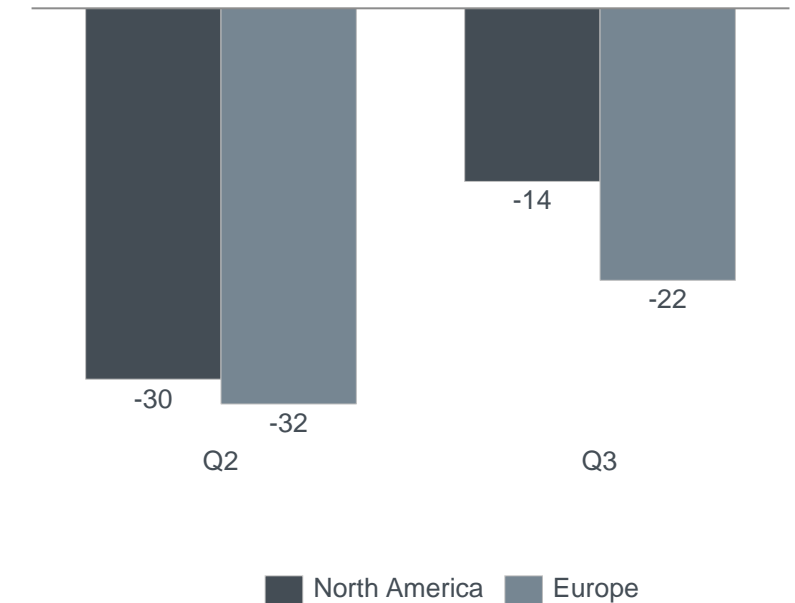


External market forecasts

Quarter 2020 vs Quarter 2019

Extrusion market growth per quarter

Growth in %

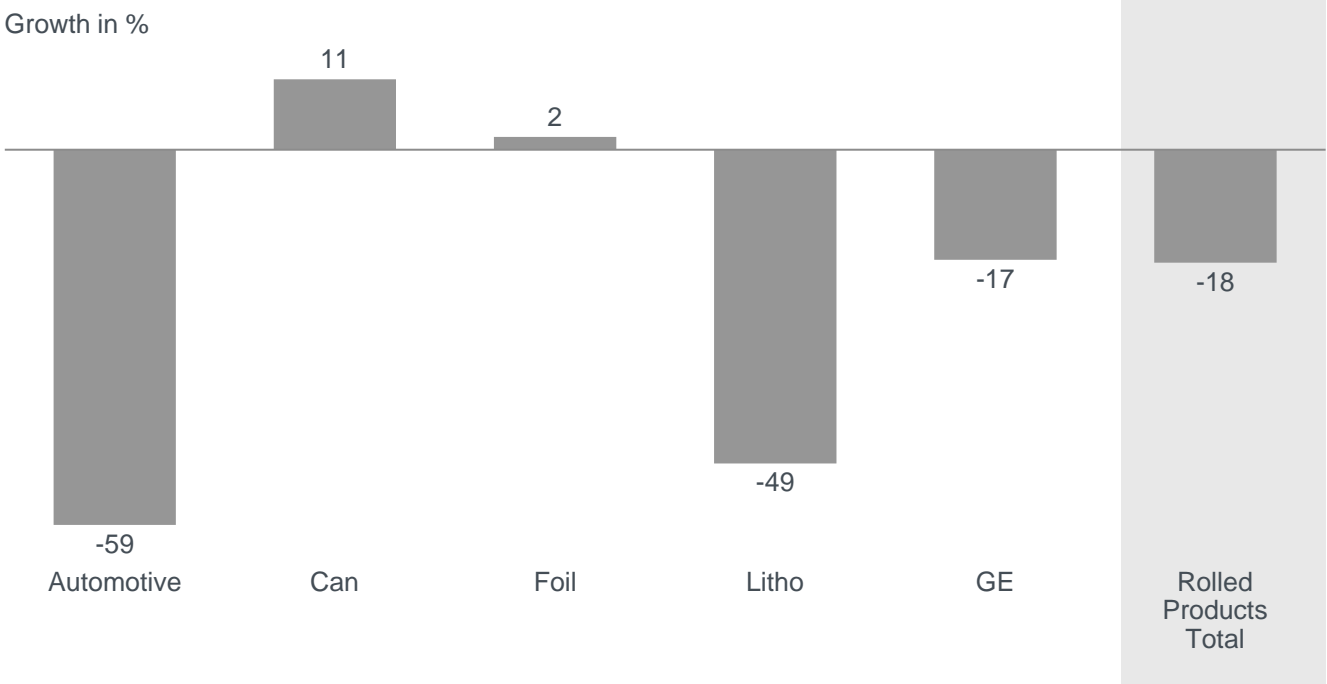


Rolled Products volumes down, market showing signs of recovery from lowest levels



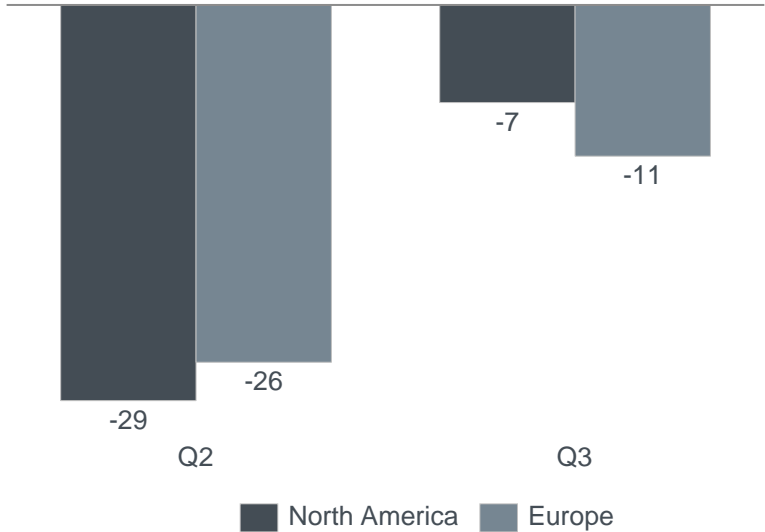
Internal sales volumes - actual Q2 2020 vs Q2 2019

Rolled Products segment sales volume
Growth in %



External market forecasts Quarter 2020 vs Quarter 2019

Rolled products market growth per quarter
Growth in %



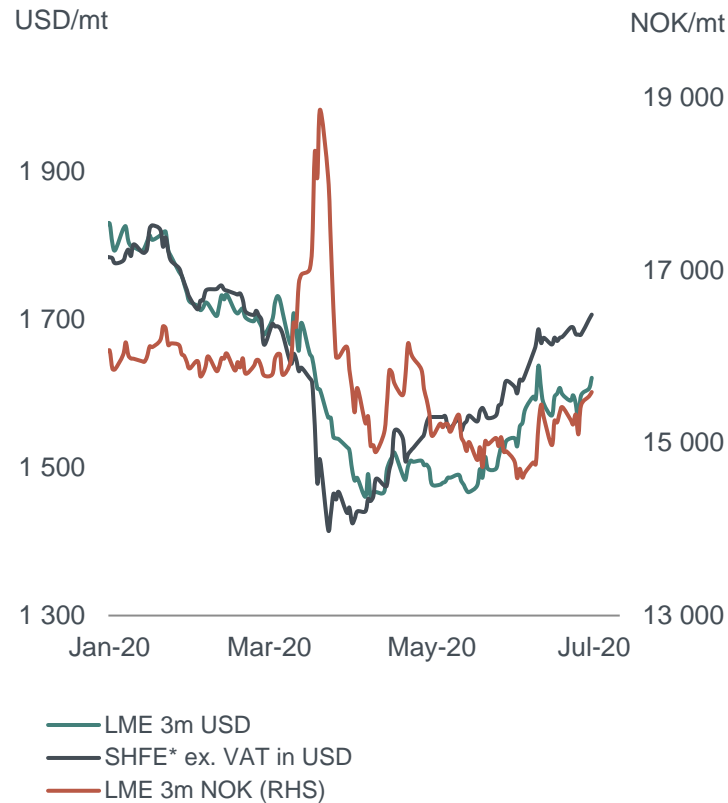
Source: CRU

Average sales prices down Q2 vs Q1, improving during Q2

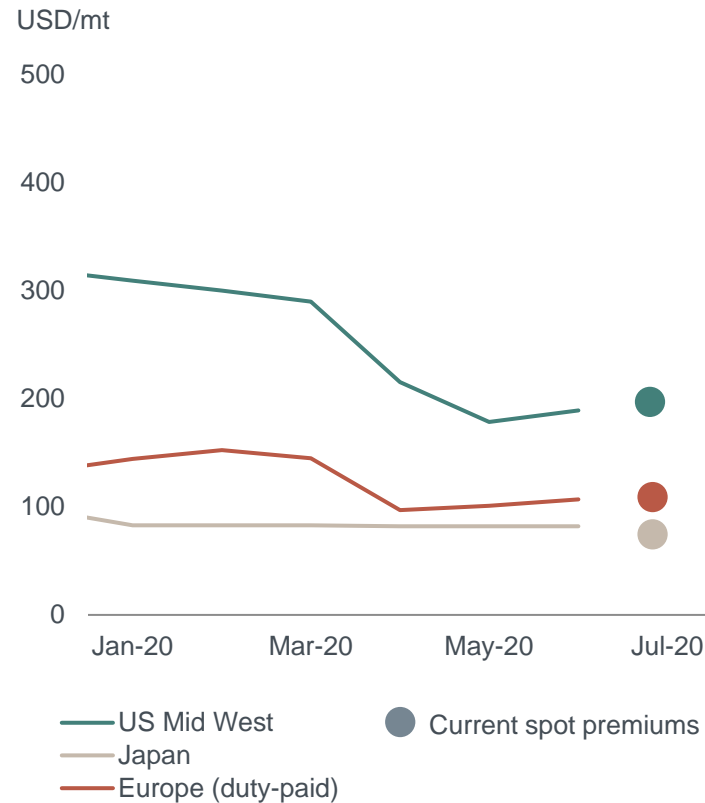


Chinese recovery with positive impact

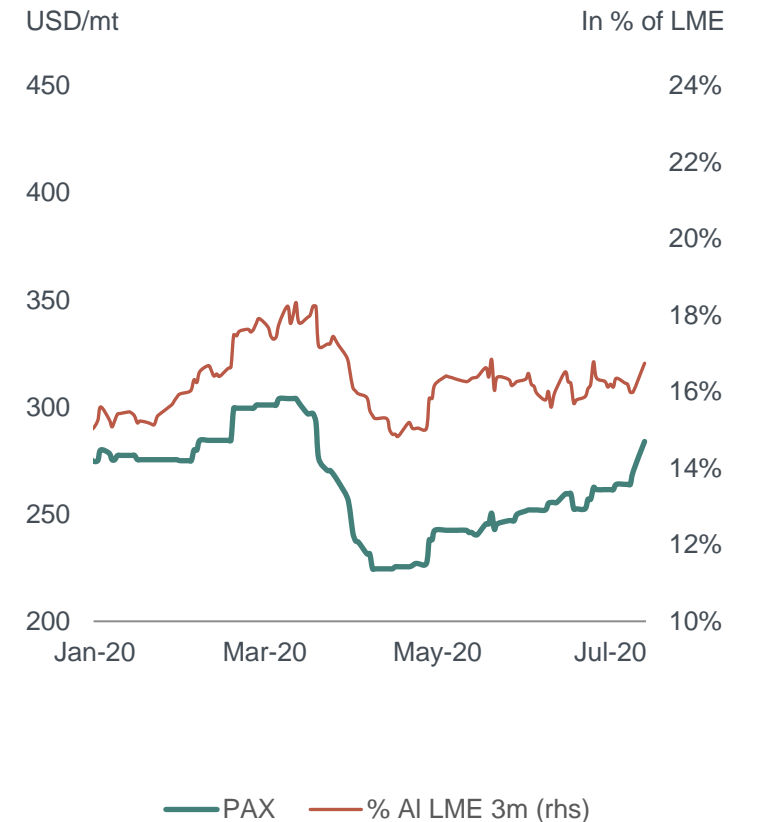
LME and SHFE aluminium prices



Regional standard ingot premiums



Platts alumina index (PAX)

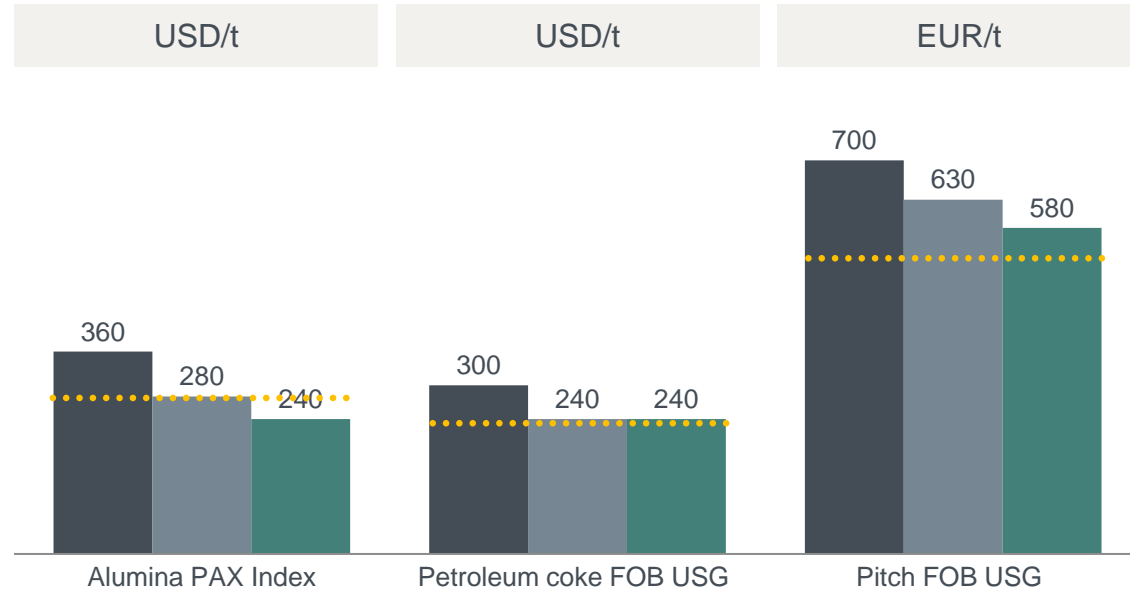


Majority of key raw material costs down in Q2

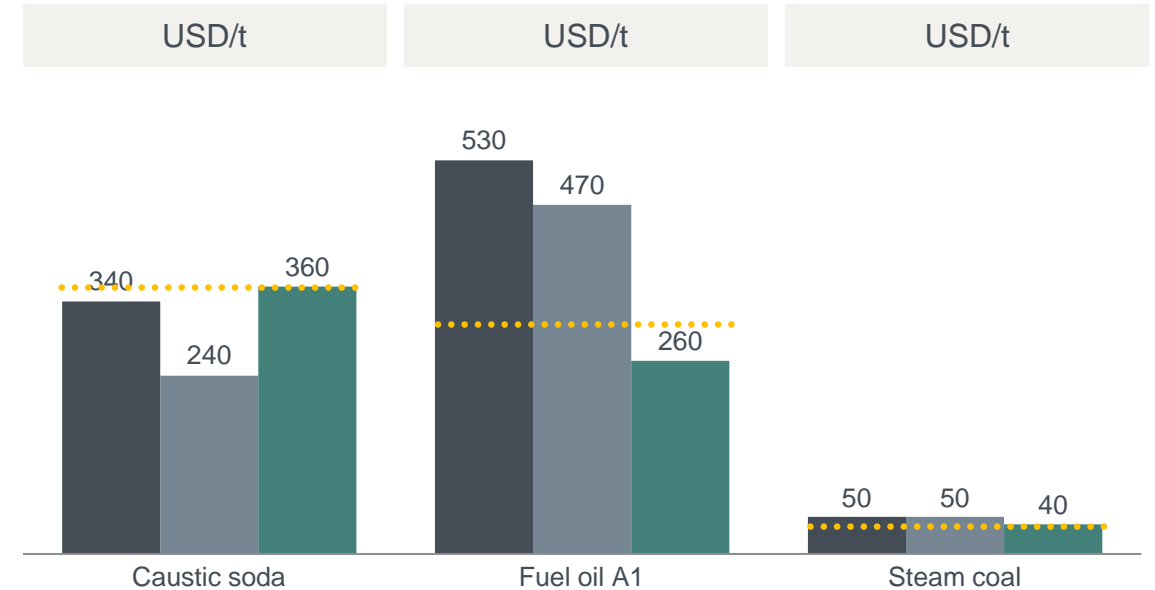


However, some increases expected in Q3, especially for alumina and fuel oil

Lower market prices for Primary Metal raw materials



Lower market prices for Bauxite & Alumina raw materials



..... Indication of current market price in respective currency per ton¹

■ Q2'19 ■ Q1'20 ■ Q2'20

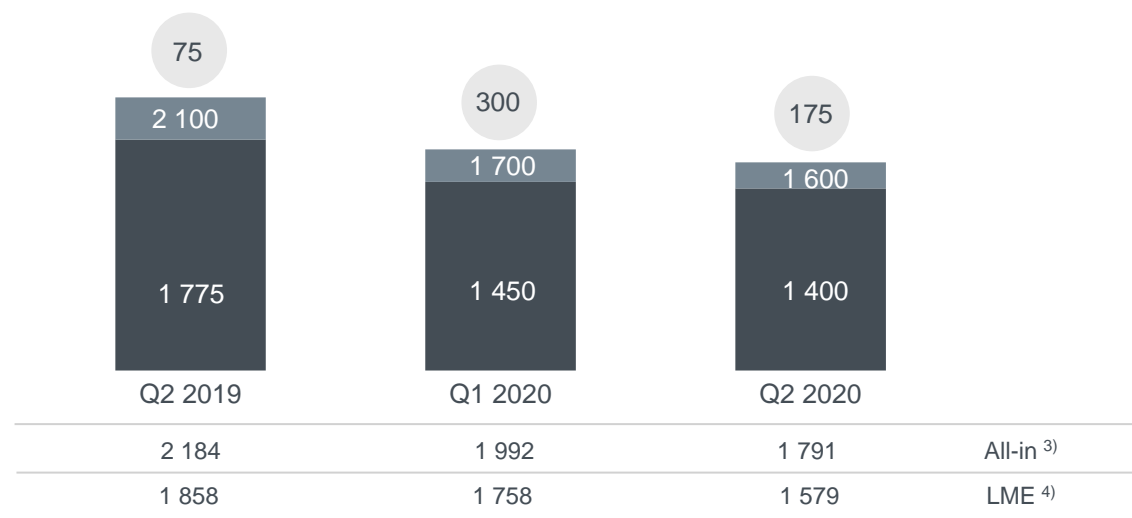
1) Current indication of market price July 2020
Source: Thomson Reuters, PACE, IHS Markit, Platts, ANP, CRU

Improved primary cash cost but margins reduced from lower all-in aluminium price

Lower value-add products sales impact all-in aluminium price

All-in implied primary cost and margin

USD/mt



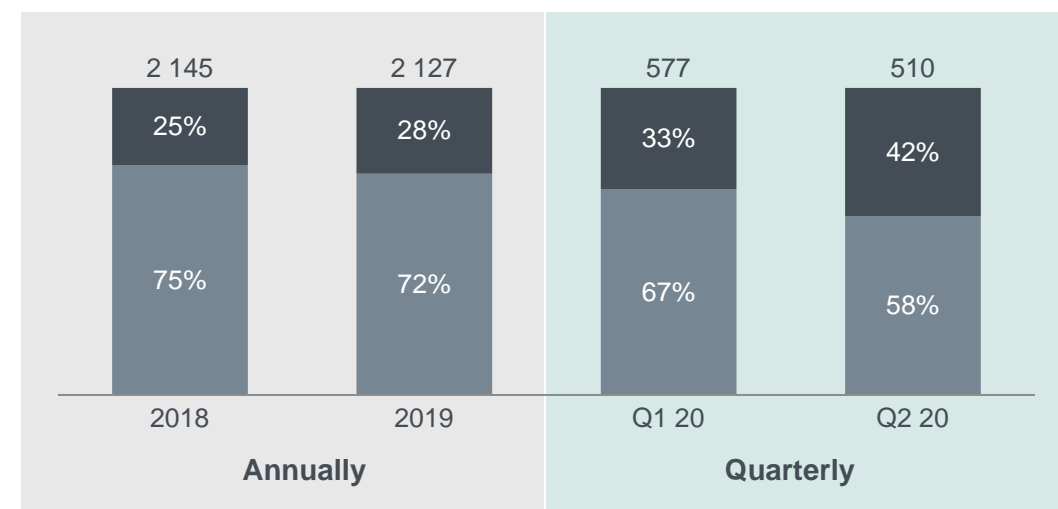
Implied primary cost down in Q2 2020 vs Q1 2020, mainly on lower raw material and fixed costs and positive currency effects

■ All-in Implied EBITDA cost per mt¹⁾ ■ LME Implied EBITDA cost per mt²⁾ ● All-in EBITDA margin per mt

1) Realized all-in aluminium price less underlying EBITDA margin, incl Qatalum, per mt aluminium sold.
 2) Realized LME aluminium price less underlying EBITDA margin, incl Qatalum, per mt primary aluminium produced
 3) Realized LME plus realized premiums, including Qatalum
 4) Realized LME, including Qatalum
 Implied primary cost and margin rounded to nearest USD 25

Primary Metal product mix

Total sales volume (kt)



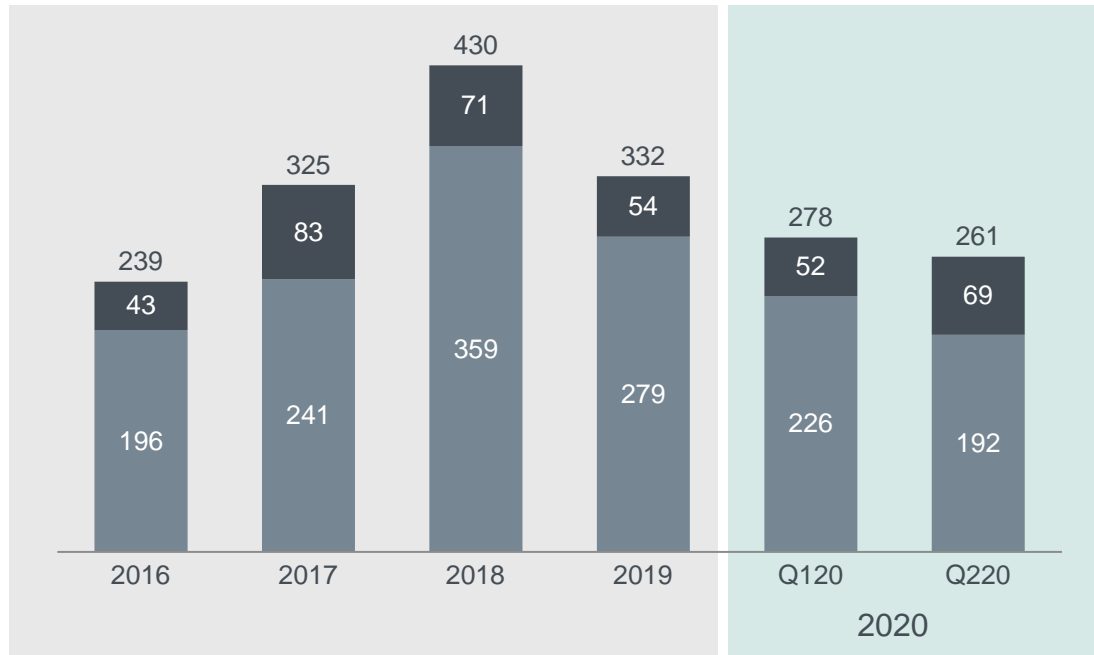
Compared to normal levels, higher share of unalloyed products

■ Unalloyed products ■ Value-add products

Record-low production costs supported by raw material prices and improved operational performance at Alunorte



Implied alumina cost and margin
USD/mt

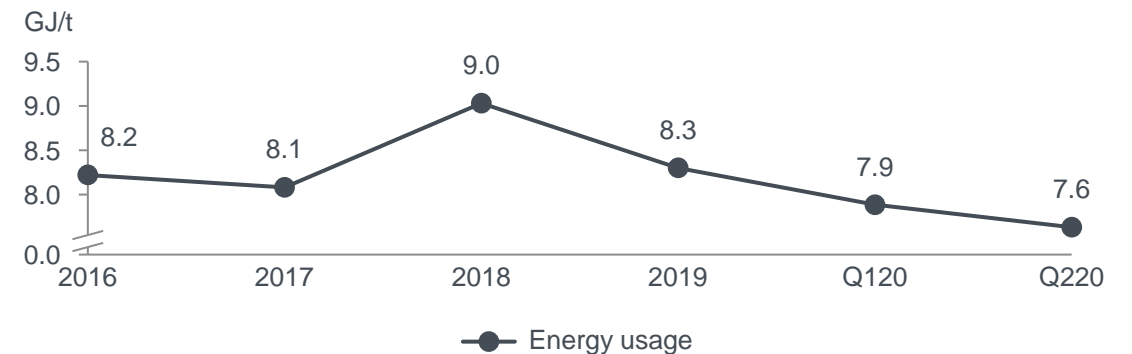


■ Alumina implied EBITDA margin
■ Alumina implied cost¹⁾

1) Realized alumina price minus underlying EBITDA for B&A, per mt alumina sales
2) Assuming an average price of 9 USD/GJ (2019 price levels)

- Q2 2020 showing reduced implied alumina cost and record low Alunorte cash cost
- Cost improvement driven by lower raw material costs and weakening of the BRL vs USD
- Alunorte targeting nameplate capacity by year-end
 - Q3 production affected by Paragominas power interruption and rescheduled maintenance, expected to produce at 85-95% of nameplate capacity
- Energy efficiencies yielding ~5 USD per mt compared to 2016 levels²⁾

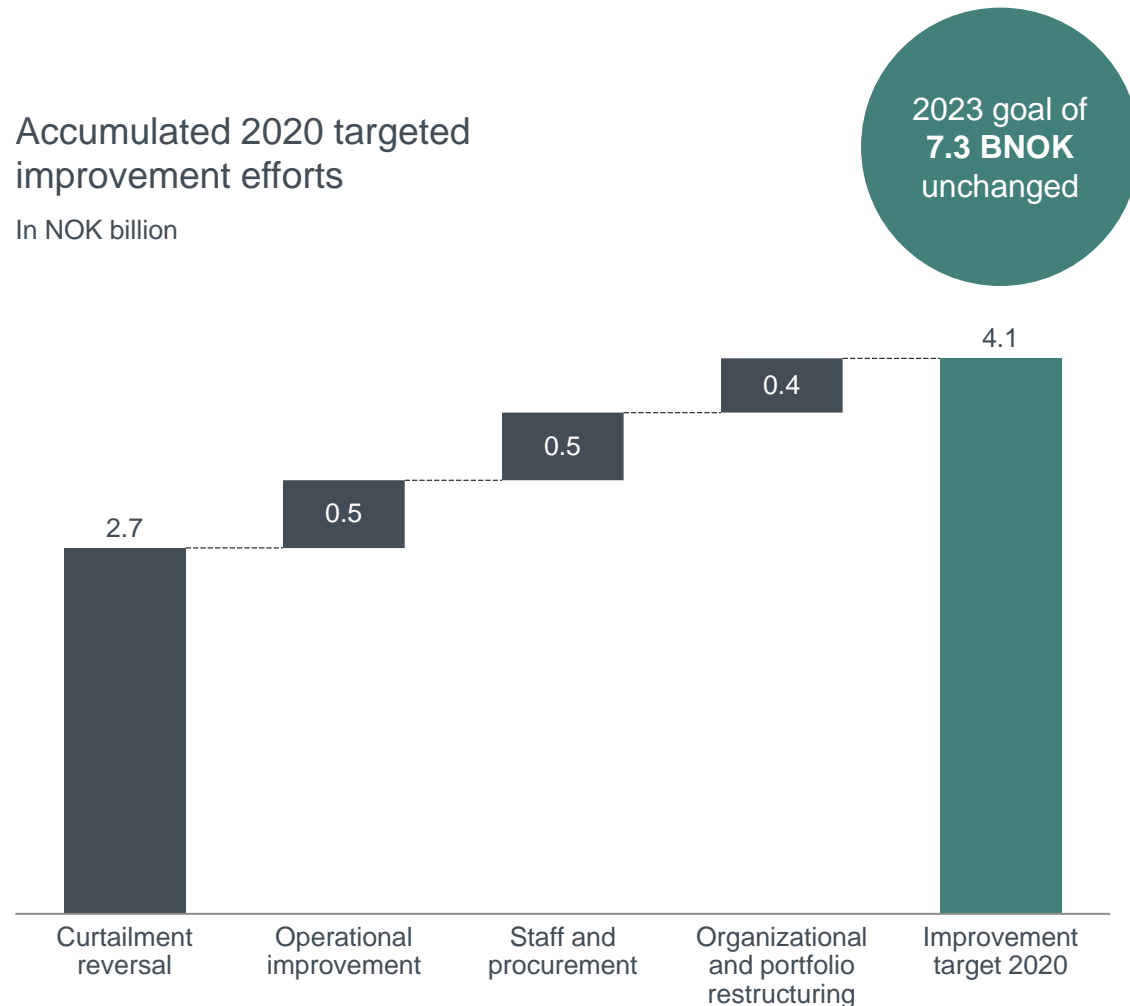
Alunorte performance – energy consumption



Improvement efforts on track toward 2020 target

Accumulated 2020 targeted improvement efforts

In NOK billion



Curtailement reversal

- Alunorte targeting to reach nameplate capacity by end of 2020

Operational improvement

- Improving operational parameters, optimizing consumption factors, increasing process efficiency
- Metal cost optimization

Staff and procurement

- Ambitious procurement initiatives across the portfolio, utilizing scale and full value chain potential
- Roadmap to first quartile staff costs, enabled by Global Business Services

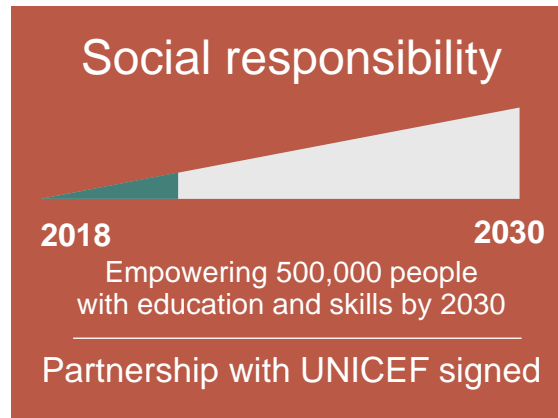
Organizational and portfolio restructuring

- Continuous portfolio review and cost initiatives in Extruded Solutions to optimize footprint, improve utilization and reduce costs
- Rolled Products restructuring and organizational right-sizing

Sustainability dashboard 2020



Positive development in safety performance through Covid-19 situation



Community response to Covid-19

Actions and donations in Brazil:

- ~36,000 food and hygiene baskets
- ~5,000 test kits
- ~1,000 field hospital beds

Biodiversity

On track

Target: 1 to 1 rehabilitation of available mined areas

Climate

Target of 30% reduction in CO₂ emissions by 2030 launched

Aluminium Stewardship Initiatives (“ASI”)

67 plants ASI certified, covers entire value chain

Greener products

10 000 mt CIRCAL produced FY 2019

Combined 2020/2021 target: 65 000 mt

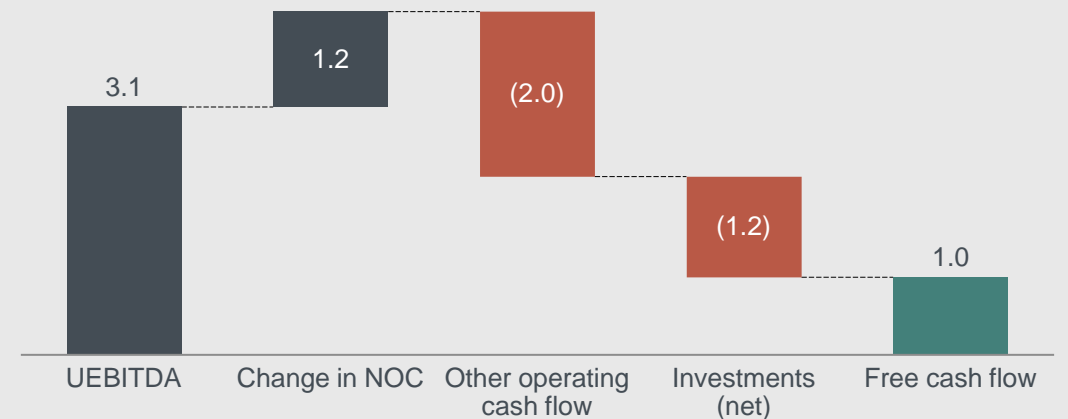


Delivering on our priorities

- ✓ Protecting people and communities
- ✓ Keeping the wheels turning
- ✓ Implementing mitigating actions, preserving cash flow



Q2 Free Cash Flow (NOK billion)



Strengthening competitive position with low-carbon aluminium

Enabled by technology and innovation



99 West Tower in Frankfurt in Hydro CIRCAL



Emmaljunga baby strollers in Hydro REDUXA



Hydro CIRCAL enters can market with HELL ENERGY partnership



Profitability & sustainability

Leading sustainable industrial company, creating value for all stakeholders

Growing and diversifying portfolio where Hydro's capabilities match megatrends

Recycling, renewables and batteries



Ramping up recycling: €10M investment in Azuqueca in Spain



Tonstad: Operating one of Norway's largest wind power farms



Hydro Volt: EV battery recycling JV between Hydro and Northvolt



Profitability & sustainability

Leading sustainable industrial company, creating value for all stakeholders

EU framework conditions supporting our Profitability and Sustainability agenda

Protecting our competitive position and shaping greener demand



Green Deal: Positioning sustainable products in low-carbon, circular economy



Next phase in EU ETS: Working to protect low-carbon aluminium



Trade defense instruments: Antidumping cases in key markets



Profitability & sustainability

Leading sustainable industrial company, creating value for all stakeholders



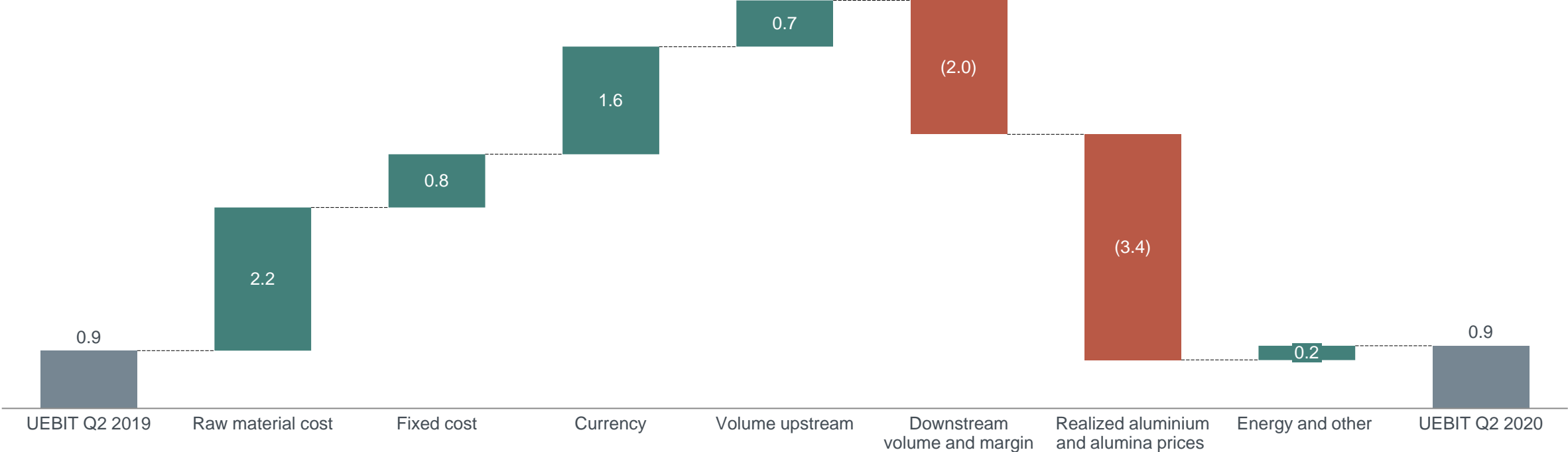
Financial update

Pål Kildemo,
Executive Vice President and CFO

Higher upstream production, lower costs and positive currency developments offset by lower prices and downstream volumes

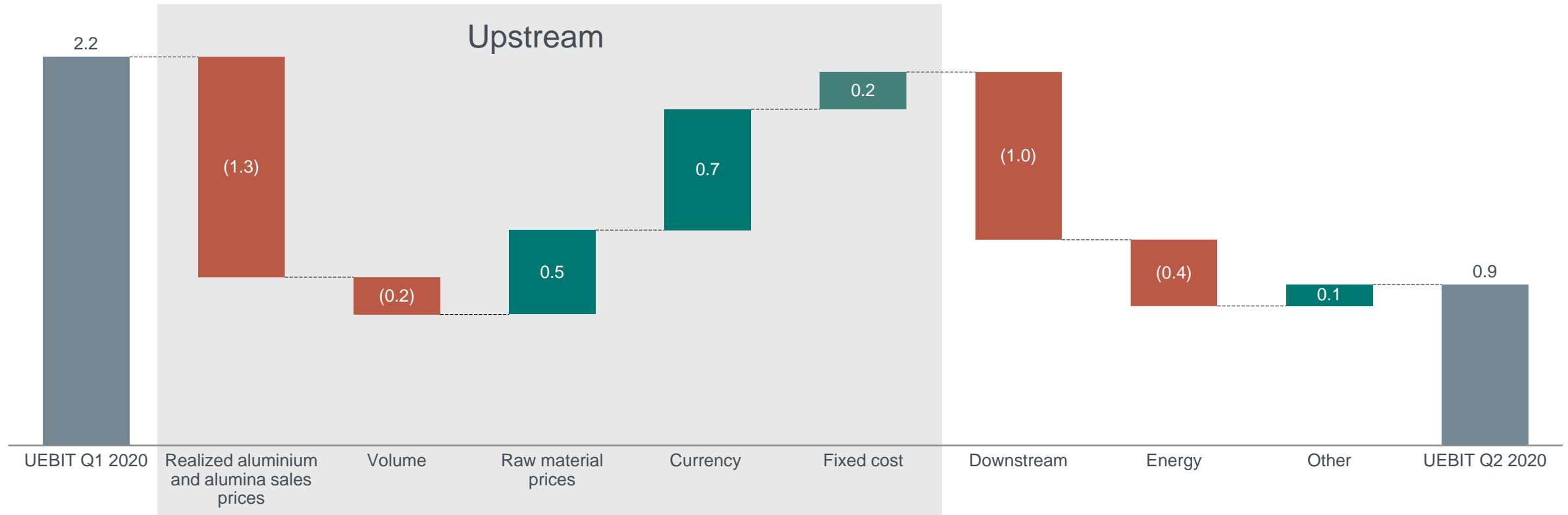


Q2 2020 vs Q2 2019
NOK billion



Results down on decreasing prices and volumes, partly offset by lower costs and positive currency developments

Q2 2020 vs Q1 2020
NOK billion



Key financials



NOK million	Q2 2020	Q2 2019	Q1 2020	Year 2019
Revenue	30 931	39 176	38 124	149 766
Underlying EBIT	949	875	2 247	3 359
Items excluded from underlying EBIT	2 610	219	(54)	2 860
Reported EBIT	(1 661)	656	2 301	499
Reported EBITDA	2 267	2 737	4 470	9 878
Underlying EBITDA	3 050	2 928	4 403	11 832
Financial income (expense)	532	(664)	(4 824)	(2 055)
Income (loss) before tax	(1 129)	(8)	(2 523)	(1 556)
Income taxes	(342)	(183)	498	(813)
Net income (loss)	(1 471)	(190)	(2 025)	(2 370)
Underlying net income (loss)	183	281	1,151	708
Reported EPS, NOK	(0.61)	(0.04)	(0.88)	(0.88)
Underlying EPS, NOK	0.10	0.19	0.55	0.52

Underlying EBIT excludes a negative effect of NOK 2.6 billion



NOK million	Q2 2020	Q2 2019	Q1 2020	Year 2019
Underlying EBIT	949	875	2 247	3 359
Unrealized derivative effects on LME related contracts	(478)	(11)	13	(91)
Unrealized derivative effects on power and raw material contracts	(62)	72	183	99
Metal effect, Rolled Products	(165)	(3)	(130)	(370)
Significant rationalization charges and closure costs	(135)	(200)	(4)	(1 484)
Impairment charges	(1 826)	(28)	(12)	(906)
Alunorte agreements – provisions	-	(14)	(129)	(80)
Transaction related effects	(6)	(35)	57	(21)
Pension	-	-	-	62
Other effects	62	-	76	(68)
Reported EBIT	(1 661)	656	2 301	499

Covid-19 triggered impairments in Extruded Solutions and Primary Metals

- Large number of impairment tests performed during Q2 2020, representing ~80% of the carrying value of total long-lived assets
- Assumptions changed reflecting a more challenging market in the near to medium term on the back of Covid-19
- Sufficient coverage in tested units, with exemption of:
 - NOK 1.5 billion impairment in Extruded Solutions, primarily relating to Extrusion North America, driven by weaker growth expectations in key market segments from Covid-19
 - NOK 0.5 billion impairment in Primary Metal, Slovalco, on challenging profitability in weakening market environment, cost position and uncertainty on renewal of power contract

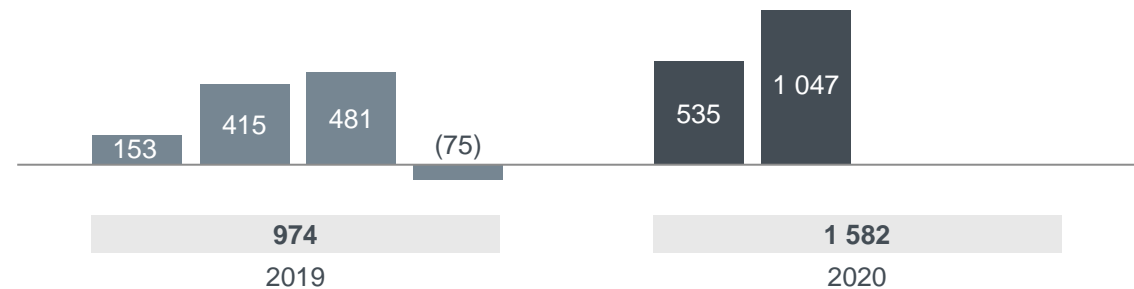
Bauxite & Alumina

Results up on higher production, lower raw material costs and positive currency effects

Key figures	Q2 2020	Q2 2019	Q1 2020
Alumina production, kmt	1 442	932	1 531
Total alumina sales, kmt	2 243	1 668	2 140
Realized alumina price, USD/mt	261	365	278
Implied alumina cost, USD/mt ¹⁾	192	296	226
Bauxite production, kmt	2 332	1 624	2 585
Underlying EBITDA, NOK million	1 550	1 004	1 102
Underlying EBIT, NOK million	1 047	415	535
Underlying RoaCE, % LTM ²⁾	5.6%	4.5%	3.6%

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 Q2 20 vs Q2 19

- Higher alumina and bauxite production from Alunorte ramp-up
- Lower raw material prices
- Positive currency effects
- Lower alumina sales prices, but high compared to PAX M-1

Outlook Q3 20

- Increased raw material costs from Q2 2020
- Alunorte production impacted by Paragominas power interruption and rescheduled maintenance, expected to produce at 85-95% of nameplate capacity

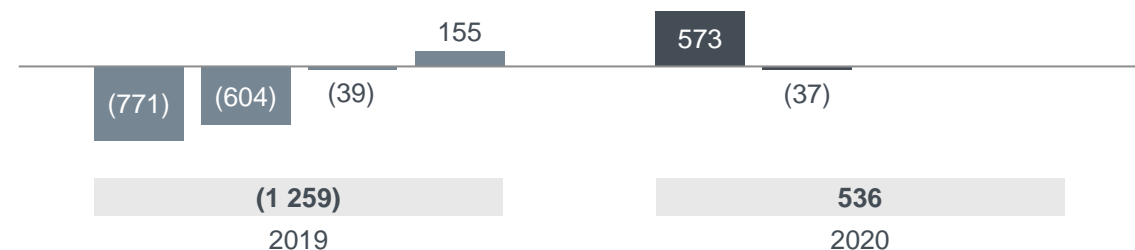
Primary Metal

Results up on lower raw material costs and positive currency effects

Key figures	Q2 2020	Q2 2019	Q1 2020
Primary aluminium production, kmt	509	486	528
Total sales, kmt	510	527	577
Realized LME price, USD/mt	1 579	1 858	1 758
Realized LME price, NOK/mt	15 689	15 959	16 658
Realized premium, USD/mt	212	326	234
Implied all-in primary cost, USD/mt ¹⁾	1 600	2 100	1 700
Underlying EBITDA, NOK million	560	(27)	1 197
Underlying EBIT, NOK million	(37)	(604)	573
Underlying RoaCE, % LTM ²⁾	1.6%	(2.5)%	0.4%

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 Q2 20 vs Q2 19

- Lower raw material costs
- Positive currency effects
- Lower realized all-in aluminium prices

Outlook Q3 20

- ~ 60% of primary production for Q3 priced at USD 1 530 per mt ³⁾
- ~ 55% of premiums affecting Q3 booked at USD ~260 per mt ³⁾
 - Q3 realized premium expected in the range of USD 175-225 per mt
- Reduced raw material costs and increased fixed costs from Q2

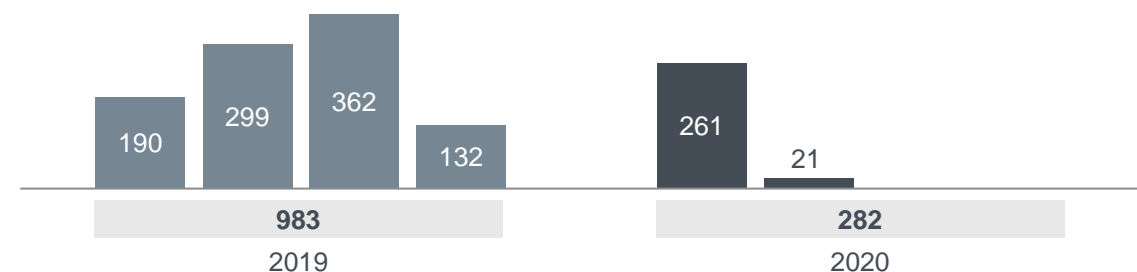
Metal Markets

Results down on lower production and margins at recycling facilities

Key figures	Q2 2020	Q2 2019	Q1 2020
Remelt production, kmt	88	139	137
Metal products sales, kmt ¹⁾	606	707	675
Underlying EBITDA, NOK million	58	328	296
Underlying EBIT excl currency and inventory valuation effects, NOK million	135	352	84
Underlying EBIT, NOK million	21	299	261
Underlying RoaCE, % LTM ²⁾	20.2%	19.7%	28.1%

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 Q2 20 vs Q2 19

- Lower production and margins at recycling facilities
- Lower results from sourcing and trading activities
- Currency and inventory valuation effects negative NOK 114 million in Q2 20 vs negative NOK 52 million in Q2 19

Outlook Q3 20

- Recycling facilities largely back to normal operations at end of Q2, but continued market uncertainty
- Volatile trading and currency effects

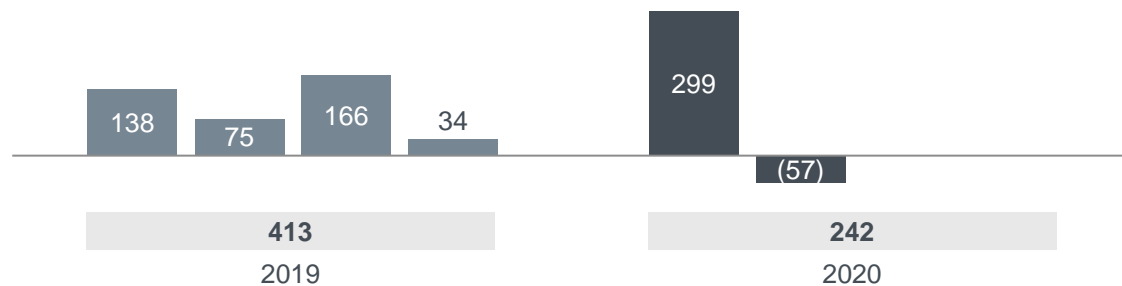
Rolled Products

Results down on significantly reduced sales volumes

Key figures	Q2 2020	Q2 2019	Q1 2020
External sales volumes, kmt	198	242	236
Underlying EBITDA, NOK million	249	326	588
Underlying EBIT, NOK million	(57)	75	299
Underlying RoaCE, % LTM ¹⁾	2.6%	1.0%	3.3%

Underlying EBIT

NOK million



Results Q2 20 vs Q2 19

- Significantly reduced sales volumes
- Lower margins offset by reduced cost
- Improved results from Neuss smelter from lower raw material costs

Outlook Q3 20

- High market uncertainty, weak demand amid Covid-19

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

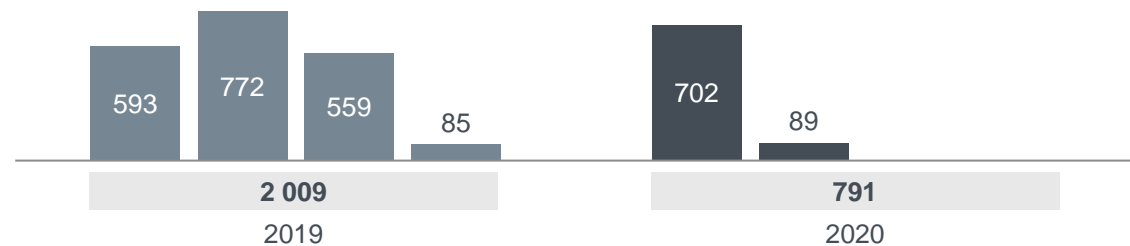
Extruded Solutions

Results down on significantly reduced sales volumes

Key figures	Q2 2020	Q2 2019	Q1 2020
External sales volumes, kmt	224	348	305
Underlying EBITDA, NOK million	649	1 279	1 242
Underlying EBIT, NOK million	89	772	702
Underlying RoaCE, % LTM ¹⁾	3.9%	5.9%	5.7%

Underlying EBIT

NOK million



Results Q2 20 vs Q2 19

- Significantly reduced sales volumes
- Reduced costs and positive currency effects
- Cyber insurance compensation of MNOK 190

Outlook Q3 20

- High market uncertainty, but improving demand trend since April

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

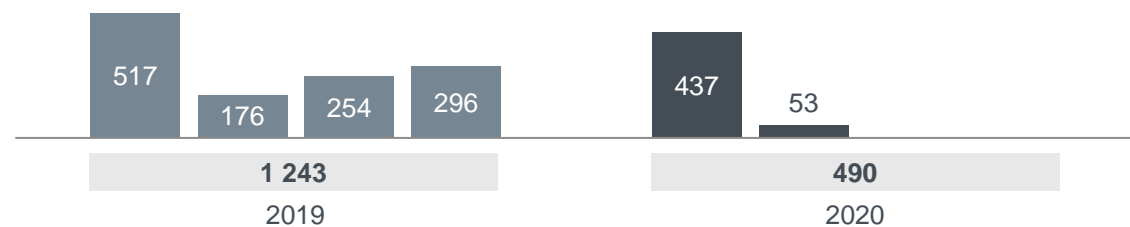
Energy

Results down on lower prices

Key figures	Q2 2020	Q2 2019	Q1 2020
Power production, GWh	2 097	1 993	2 868
Net spot sales, GWh	444	289	1 169
Southwest Norway spot price (NO2), NOK/MWh	50	360	154
Underlying EBITDA, NOK million	122	242	505
Underlying EBIT, NOK million	53	176	437
Underlying RoaCE, % LTM ^{1,2)}	24.4%	21.2%	20.5%

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 Q2 20 vs Q2 19

- Significantly lower power prices on strong hydrological balance

Outlook Q3 20

- Volume and price uncertainty, high reservoir levels
- Average NO2 spot price ~15 NOK/MWh in July



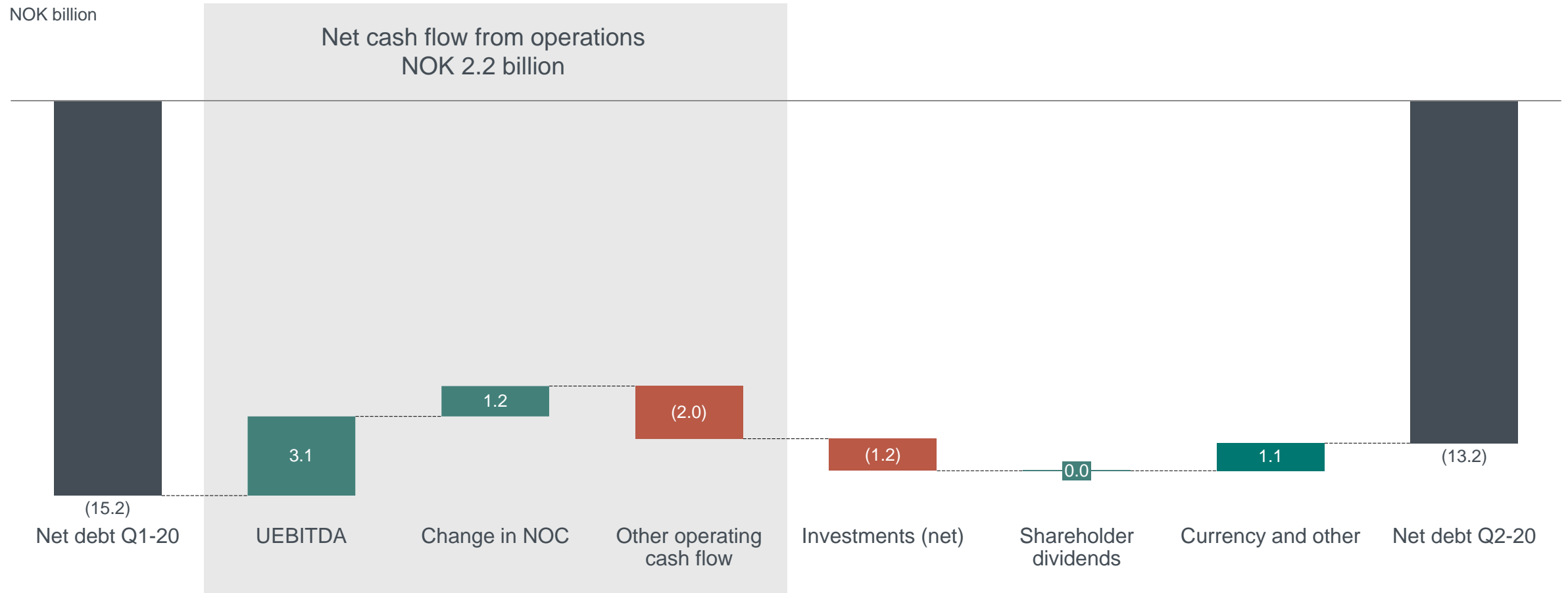
Other and Eliminations

Underlying EBIT, NOK million	Q2 2020	Q2 2019	Q1 2020
Other	(109)	(253)	(219)
Eliminations	(58)	(5)	(341)
Other and Eliminations	(166)	(258)	(560)

Underlying EBIT NOK million



Net debt down in Q2 2020



Adjusted net debt down in Q2 2020

Lower net debt and net pension liability

NOK billion	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019
Cash and cash equivalents	15.4	12.2	12.3	10.6
Short-term investments	5.1	1.6	1.0	0.9
Short-term debt	(7.1)	(7.7)	(6.2)	(6.1)
Long-term debt	(26.6)	(21.3)	(18.9)	(20.0)
Net cash/(debt)	(13.2)	(15.2)	(11.8)	(14.5)
Net pension liability at fair value, net of expected tax benefit	(11.1)	(12.4)	(8.6)	(10.3)
Other adjustments ¹⁾	(4.8)	(5.2)	(5.1)	(4.8)
Adjusted net debt ex. EAI	(29.1)	(32.8)	(25.4)	(29.6)
Net debt in EAI	(5.6)	(6.5)	(5.5)	(5.4)
Adjusted net debt incl. EAI	(34.6)	(39.3)	(31.0)	(35.0)

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



Strong focus on liquidity in challenging markets

Strong liquidity and balance sheet

- NOK 15.4 billion in cash and cash equivalents end of Q2 2020
- USD 1.6 billion in multi-currency revolving credit facility maturing in 2025, currently undrawn

Reinforced by forceful actions in response to challenging market

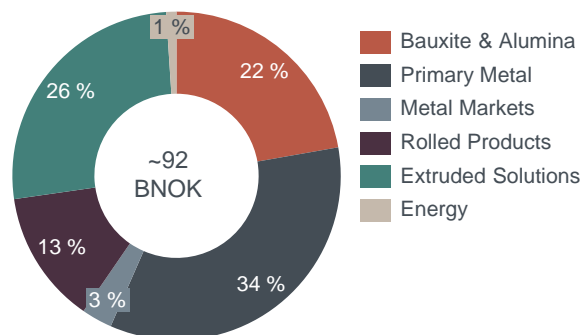
- Temporarily curtailments and temporarily lay-offs, cost cuts and cost discipline across the company, continuously evaluating further mitigating measures
- Freeze of NOK 2 billion of planned 2020 capex
- AGM approval to amend dividend proposal of NOK 1.25 per share and power of attorney granted to BoD to resolve distribution of dividend at later stage if conditions allow for it
- NOK 7 billion bond issue in May 2020 to further improve liquidity



Capital return dashboard YTD 2020

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

Capital employed¹⁾



Capital returns

URoaCE
3.8%²⁾

10% target over the cycle

Balance sheet

FFO/aND
29%³⁾

>40% target over the cycle

Free cash flow YTD 2020

1.1 BNOK⁴⁾

Improvement program

4.1 BNOK refocused
2020 target on track

2023 target 7.3 BNOK - maintained
2020 target 4.1 BNOK – will not be met

Net operating capital YTD 2020

0.2 BNOK build

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

Capex

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

2020 new estimate 7.5-8 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 (8.8) 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) Free cash flow – operating cash flow less investing cash flow excl. sales/purchases of short-term investments

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



**Lifting profitability,
driving sustainability**

Priorities

- Protecting our people and communities – health and safety first
- Lifting cash flow by restoring full capacity and delivering on improvement ambitions
- Positioning for the future as a leading sustainable industrial company

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

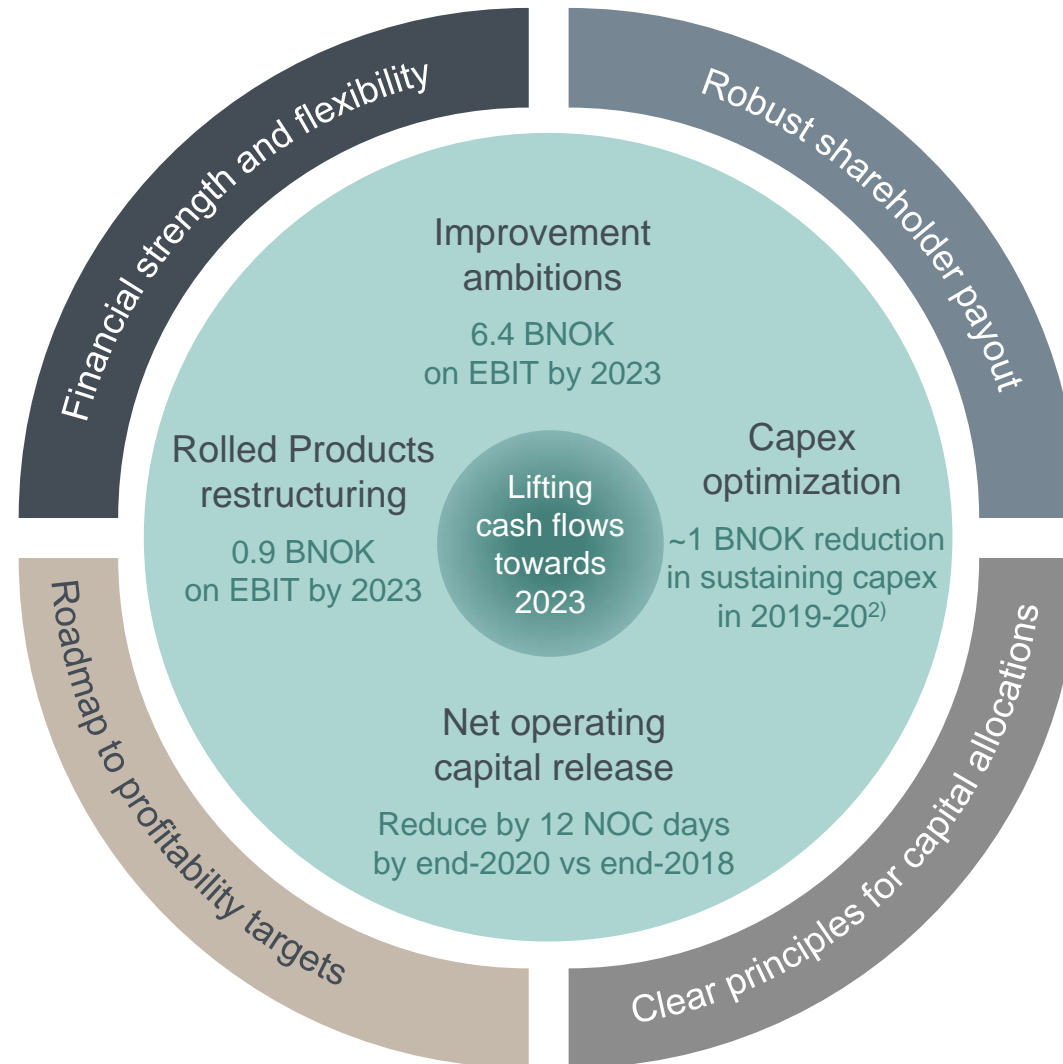
Financial ambitions and targets

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

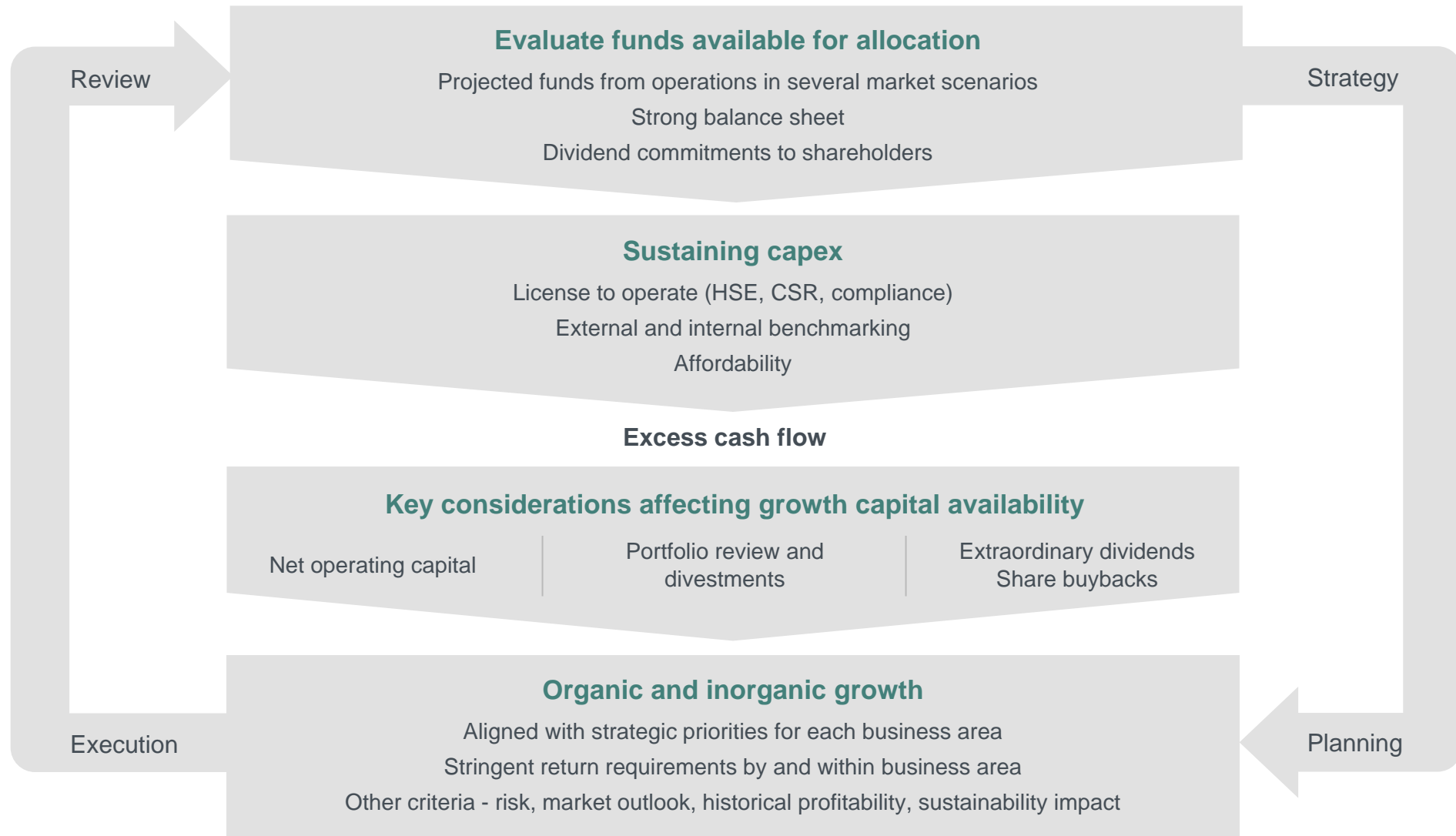
- 40% payout ratio of Net Income over the cycle
- Dividend floor of 1.25 NOK/share
- Supplementary share buybacks or extraordinary dividends

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 15.4 billion in cash and cash equivalents and NOK 4,2 billion in short term deposits, end-Q2 2020
 - USD 1.6 billion in multi-currency revolving credit facility maturing in 2025

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

Hedging policy

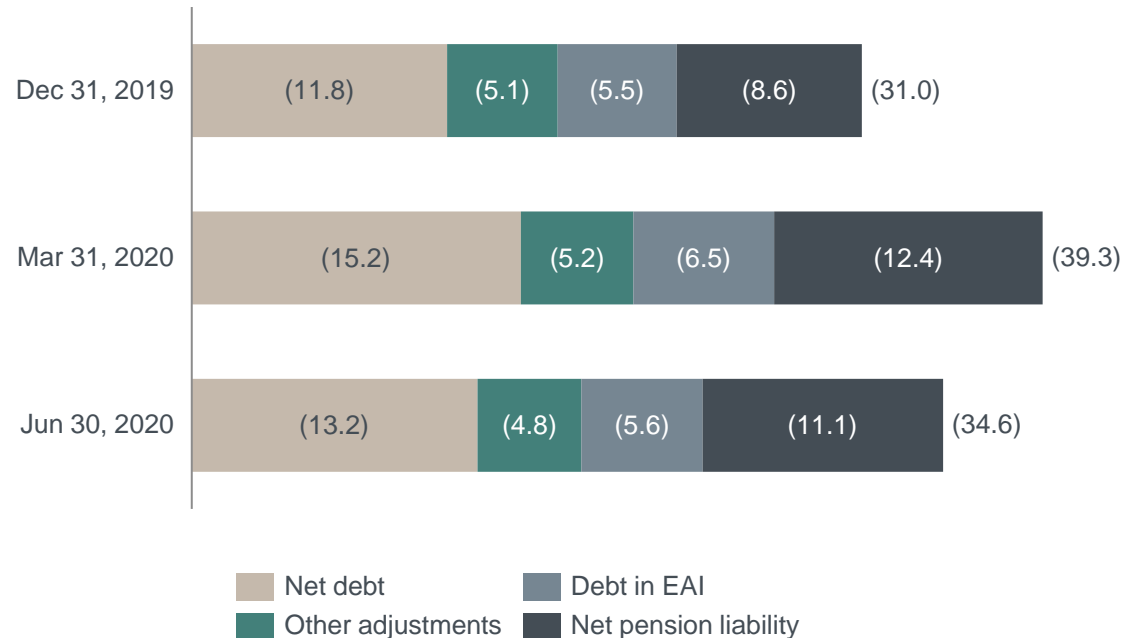


- Hedging strategy
 - Fluctuating with the market: primarily exposed to LME and USD
 - Volatility mitigated by strong balance sheet
 - Strengthening relative position to ensure competitiveness
- Diversified business
 - Upstream cyclicalities balanced with more stable earnings downstream
 - Exposed to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

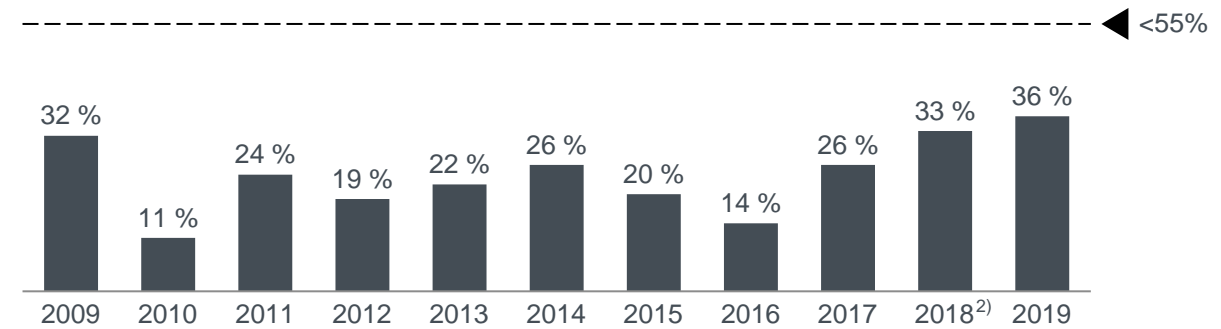
Maintaining a solid balance sheet and investment-grade credit rating



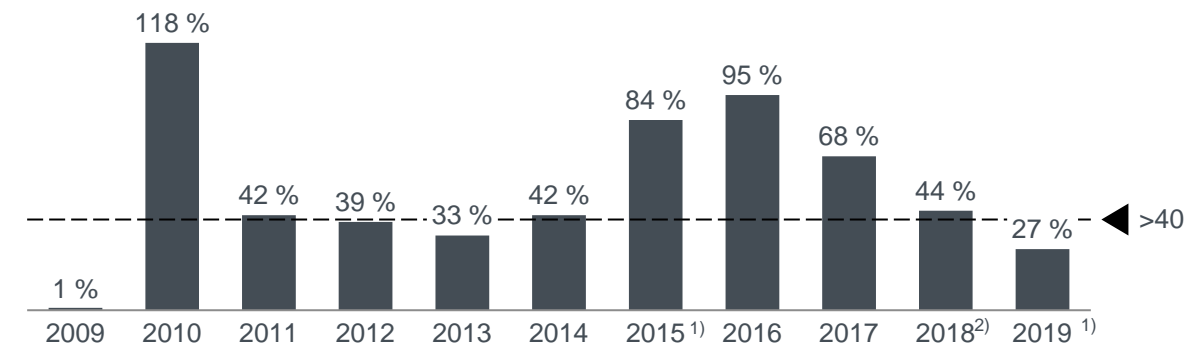
Adjusted net debt BNOK



Adjusted net debt / Equity



Funds from operations / Adjusted net debt

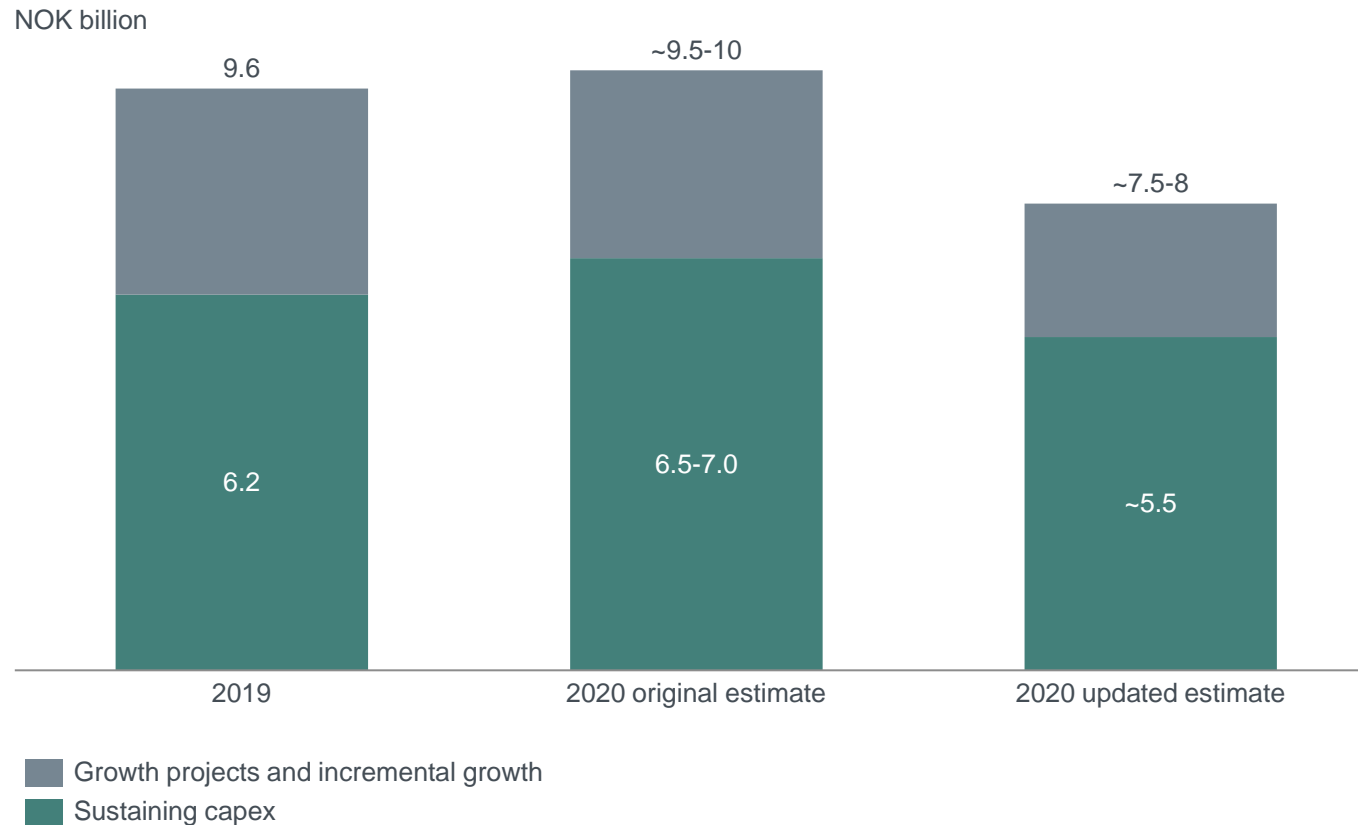


1) 2015 and 2019 FFO/aND ratio has been restated due to changes in definition.

2) 2018 ratios restated for the IFRS16 Leases effect

Updated capex estimate amid Covid-19

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

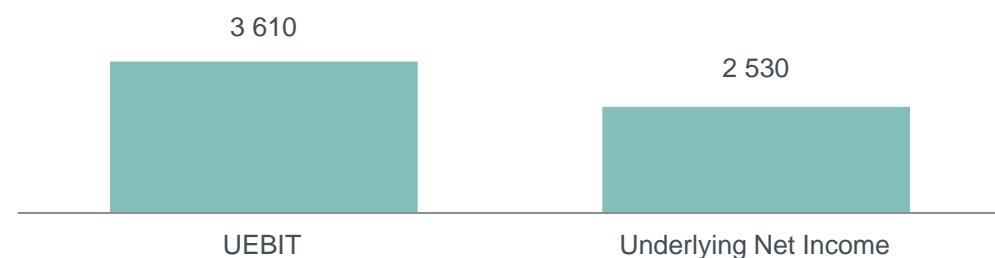


- Capex freeze is split ~50/50 between sustaining and growth projects
- Postponement of sustaining projects to later periods where possible without jeopardizing operations
- Postponement of several growth projects
- Further capex optimization to be continuously evaluated

Significant exposure to commodity and currency fluctuations

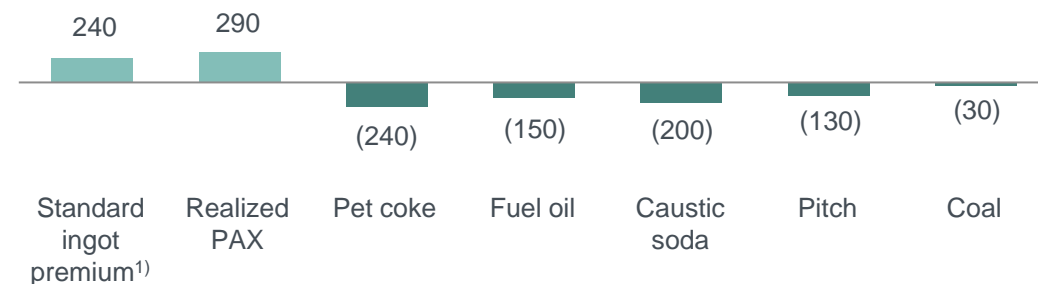
Aluminium price sensitivity +10%

NOK million



Other commodity prices, sensitivity +10%

NOK million



1) Europe duty paid

Currency sensitivities +10%

Sustainable effect:

NOK million	USD	BRL	EUR
UEBIT	3 190	(930)	(230)

One-off reevaluation effect:

Financial items	(20)	870	(3 600)
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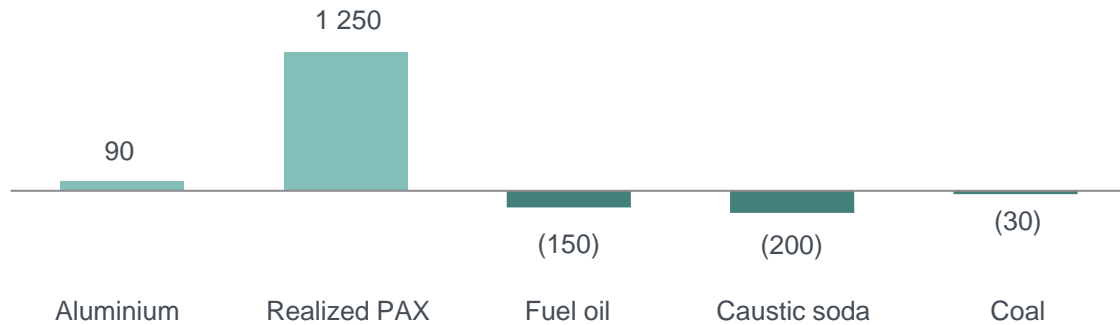
- Annual sensitivities based on normal annual business volumes (incl. 100% production at Alunorte, Paragominas and Albras) and Q120 realized prices as a starting point LME USD 1 580 per mt, standard ingot premium 100 USD/mt, PAX 255 USD/mt, fuel oil USD 260 per mt, petroleum coke USD 240 per mt, pitch 580 EUR/t, caustic soda USD 360 per mt, coal USD 40 per mt, USD/NOK 9.93, BRL/NOK 1.86, EUR/NOK 11.01
- 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	890	(600)	-

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

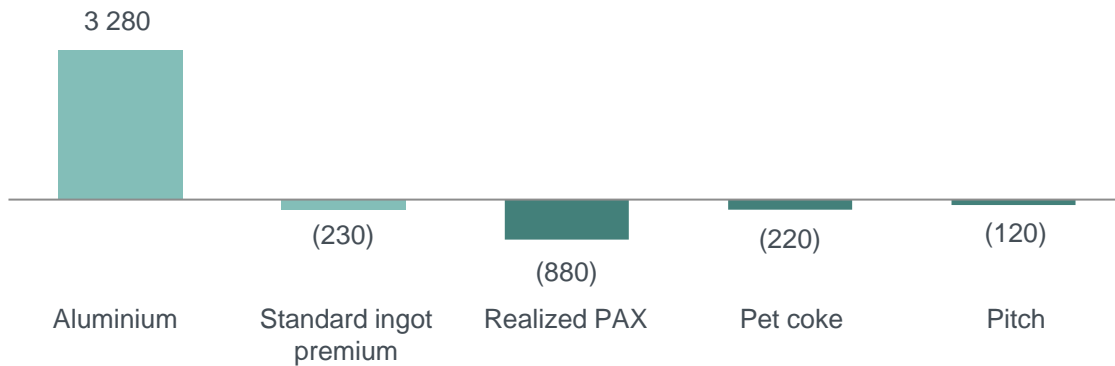
Annual sensitivities based on normal annual business volumes (incl. 100% production at Alunorte, Paragominas and Albras) and Q120 realized prices as a starting point LME USD 1 580 per mt, standard ingot premium 100 USD/mt, PAX 255 USD/mt, fuel oil USD 260 per mt, petroleum coke USD 240 per mt, pitch 580 EUR/t, caustic soda USD 360 per mt, coal USD 40 per mt, USD/NOK 9.93, BRL/NOK 1.86, EUR/NOK 11.01
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	1 900	(330)	(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
Alunorte agreements - provision	Bauxite & Alumina	129	-
Total impact	Bauxite & Alumina	129	-
Unrealized derivative effects on LME related contracts	Primary Metal	(64)	200
Unrealized effects on power contracts	Primary Metal	(147)	48
Impairment charges	Primary Metal	-	504
Other effects	Primary Metal	-	(12)
Total impact	Primary Metal	(211)	740
Unrealized derivative effects on LME related contracts	Metal Markets	(224)	340
Total impact	Metal Markets	(224)	340
Unrealized derivative effects on LME related contracts	Rolled Products	177	(94)
Metal effect	Rolled Products	130	165
Other effects	Rolled Products	(76)	(50)
Total impact	Rolled Products	230	22
Unrealized derivative effects on LME related contracts	Extruded Solutions	114	13
Impairment charges	Extruded Solutions	12	1 483
Significant rationalization charges and closure costs	Extruded Solutions	4	134
Transaction related effects	Extruded Solutions	(57)	6
Total impact	Extruded Solutions	74	1 637
Unrealized derivative effects on power contracts	Energy	(17)	33
Total impact	Energy	(17)	33
Unrealized derivative effects on power contracts	Other and eliminations	(19)	(19)
Unrealized derivative effects on LME related contracts	Other and eliminations	(16)	18
Impairment charges	Other and eliminations	-	(161)
Total impact	Other and eliminations	(35)	(162)
Items excluded from underlying EBIT	Hydro	(54)	2 610
Net foreign exchange (gain)/loss	Hydro	4 553	(735)
Items excluded from underlying income (loss) before tax	Hydro	4 499	1 875
Calculated income tax effect	Hydro	(1 322)	(221)
Items excluded from underlying net income (loss)	Hydro	3 176	1 654

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	Year 2018	Year 2019
Bauxite & Alumina	741	364	685	493	153	415	481	(75)	535	1 047	2 282	974
Primary Metal	823	755	861	(677)	(771)	(604)	(39)	155	573	(37)	1 762	(1 259)
Metal Markets	178	237	(3)	275	190	299	362	132	261	21	686	983
Rolled Products	232	212	82	(113)	138	75	166	34	299	(57)	413	413
Extruded Solutions	734	957	497	202	593	772	559	85	702	89	2 390	2 009
Energy	278	417	652	500	517	176	254	296	437	53	1 846	1 243
Other and Eliminations	161	(229)	(97)	(145)	(261)	(258)	(417)	(67)	(560)	(166)	(310)	(1 003)
Total	3 147	2 713	2 676	534	559	875	1 366	560	2 247	949	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	Year 2018	Year 2019
Bauxite & Alumina	1 370	937	1 193	877	758	1 004	1 071	504	1 102	1 550	4 377	3 337
Primary Metal	1 349	1 309	1 424	(176)	(180)	(27)	550	812	1 197	560	3 906	1 155
Metal Markets	201	262	22	301	219	328	395	167	296	58	786	1 110
Rolled Products	456	438	314	133	384	326	430	308	588	249	1 340	1 448
Extruded Solutions	1 155	1 383	931	645	1 099	1 279	1 099	655	1 242	649	4 114	4 132
Energy	339	479	716	566	583	242	319	365	505	122	2 100	1 509
Other and Eliminations	169	(223)	(90)	(135)	(231)	(224)	(385)	(19)	(528)	(138)	(280)	(859)
Total	5 038	4 586	4 510	2 210	2 633	2 928	3 479	2 792	4 403	3 050	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	Year 2018	Year 2019
Bauxite & Alumina	741	364	166	493	118	401	450	(221)	406	1 047	1 763	749
Primary Metal	917	776	954	(524)	(919)	(554)	30	(394)	784	(777)	2 123	(1 838)
Metal Markets	305	270	(107)	419	(31)	361	381	38	485	(319)	886	748
Rolled Products	78	353	223	(319)	(53)	12	(978)	155	68	(79)	336	(865)
Extruded Solutions	687	1 109	286	(307)	644	483	449	(223)	628	(1 548)	1 774	1 353
Energy	278	417	652	507	510	174	295	312	454	20	1 853	1 291
Other and Eliminations	295	(303)	(117)	(89)	(249)	(220)	(405)	(65)	(525)	(5)	(214)	(939)
Total	3 301	2 986	2 057	178	20	656	222	(399)	2 301	(1 661)	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	Year 2018	Year 2019
Bauxite & Alumina	1 370	937	674	877	724	989	1 040	504	973	1 550	3 858	3 258
Primary Metal	1 443	1 330	1 517	(23)	(328)	23	619	769	1 408	324	4 267	1 081
Metal Markets	329	295	(82)	445	(2)	390	414	73	521	(282)	986	875
Rolled Products	302	580	455	(73)	194	263	(715)	429	358	228	1 263	170
Extruded Solutions	1 108	1 534	720	136	1 150	1 017	1 085	479	1 181	496	3 498	3 731
Energy	339	479	716	573	576	240	361	380	523	88	2 107	1 558
Other and Eliminations	302	(296)	(110)	(80)	(219)	(186)	(373)	(17)	(493)	(137)	(183)	(795)
Total	5 193	4 860	3 890	1 854	2 094	2 737	2 430	2 617	4 470	2 267	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	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	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	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	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	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	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	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)	(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	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	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	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	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	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	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	64 023	62 211
Energy	738	823	1 151	961	983	519	594	712	633	47	3 673	2 808
Other and Eliminations	4	6	5	(1)	-	5	1	2	5	3	14	8
Total	39 971	41 254	39 766	38 386	37 583	39 176	37 517	35 490	38 124	30 931	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	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	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	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	11 735	10 287
Rolled Products	(72)	134	18	(64)	66	(31)	33	83	(104)	69	15	152
Extruded Solutions	(21)	103	42	(62)	89	(1)	18	34	(76)	12	61	140
Energy	1 024	1 340	1 337	1 306	1 278	1 296	1 397	1 444	1 482	1 376	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)	(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	Year 2018	Year 2019
Bauxite & Alumina	-	-	-	-	-	-	-	-	-	-	-	-
Primary Metal	210	280	238	(5)	32	24	150	65	40	26	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)	(35)	(29)
Other and Eliminations	3	5	(20)	35	(32)	27	(23)	10	(31)	28	24	(18)
Total	221	286	229	30	3	47	123	68	(4)	48	765	241

Operating segment information

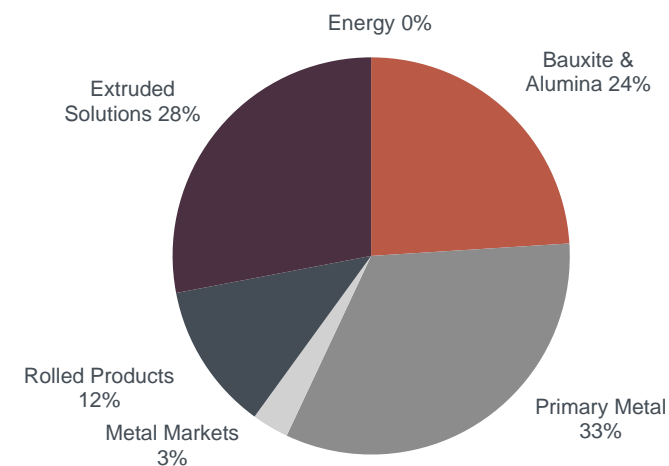


Return on average capital employed ¹⁾ (RoaCE)

	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	Jun 30, 2020
Bauxite & Alumina	22 526
Primary Metal	34 630
Metal Markets	3 010
Rolled Products	13 047
Extruded Solutions	26 502
Energy	974
Other and Eliminations	(8 777)
Total	92 057



Graph excludes BNOK (8.8) 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



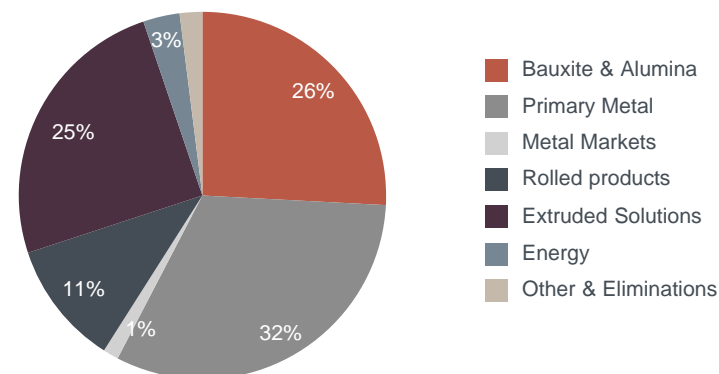
Depreciation, amortization and impairment

NOK million	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Year 2018	Year 2019
Bauxite & Alumina	630	573	509	384	605	589	590	725	567	503	2 095	2 509
Primary Metal	546	575	583	548	619	605	616	1 191	655	1 130	2 253	3 030
Metal Markets	24	25	25	26	29	29	33	37	36	37	101	129
Rolled Products	223	227	231	246	247	251	264	274	290	307	927	1 036
Extruded Solutions	421	425	434	443	506	535	639	704	554	2 046	1 723	2 384
Energy	58	59	61	63	62	62	62	66	65	65	239	253
Other and Eliminations	7	7	7	10	30	34	32	48	33	(132)	30	144
Total	1 909	1 891	1 851	1 719	2 098	2 105	2 236	3 045	2 199	3 956	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	Q2 2020	Q2 2019	Q1 2020	First Half 2020	First Half 2019	Year 2019
Revenue	30 931	39 176	38 124	69 055	76 759	149 766
Share of the profit (loss) in equity accounted investments	48	47	(4)	45	50	241
Other income, net	695	139	473	1 168	322	1 000
Total revenue and income	31 675	39 362	38 594	70 268	77 132	151 007
Raw material and energy expense	19 527	25 920	23 148	42 675	51 056	97 474
Employee benefit expense	5 906	6 192	6 361	12 267	12 215	24 871
Depreciation and amortization expense	2 127	2 078	2 186	4 314	4 173	8 572
Impairment of non-current assets	1 829	28	12	1 841	31	912
Other expenses	3 946	4 488	4 585	8 531	8 981	18 678
Earnings before financial items and tax (EBIT)	(1 661)	656	2 301	640	676	499
Financial income	89	90	34	123	153	365
Financial expense	444	(754)	(4 859)	(4 415)	(811)	(2 420)
Income (loss) before tax	(1 129)	(8)	(2 523)	(3 652)	18	(1 556)
Income taxes	(342)	(183)	498	156	(333)	(813)
Net income (loss)	(1 471)	(190)	(2 025)	(3 496)	(315)	(2 370)
Net income (loss) attributable to non-controlling interests	(223)	(105)	(214)	(438)	(239)	(558)
Net income (loss) attributable to Hydro shareholders	(1 248)	(85)	(1 811)	(3 059)	(76)	(1 811)
Earnings per share attributable to Hydro shareholders	(0.61)	(0.04)	(0.88)	(1.49)	(0.04)	(0.88)

NOK million	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Year 2017	Year 2018	Year 2019
Net income (loss)	1 838	1 562	2 184	3 600	2 076	2 073	925	(750)	(124)	(190)	(1 390)	(665)	(2 025)	(1 471)	9 184	4 323	(2 370)
Underlying net income (loss)	1 580	2 214	1 785	2 816	2 201	2 096	1 696	(175)	124	281	606	(303)	1 151	183	8 396	5 819	708
Earnings per share	0.86	0.73	1.00	1.71	1.02	1.03	0.37	(0.34)	0	(0.04)	(0.62)	(0.23)	(0.88)	(0.61)	4.30	2.08	(0.88)
Underlying earnings per share	0.75	1.04	0.82	1.33	1.06	1.02	0.74	(0.06)	0.13	0.19	0.33	(0.12)	0.55	0.10	3.95	2.75	0.52

Balance sheet



NOK million	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
Cash and cash equivalents	15 385	12 160	12 286	10 581	10 590	6 099
Short-term investments	5 110	1 641	969	929	1 090	1 274
Trade and other receivables	18 916	24 539	18 959	23 007	23 186	23 542
Inventories	20 382	22 464	20 816	21 679	22 718	25 004
Other current financial assets	687	1 119	635	700	471	349
Property, plant and equipment	70 478	77 909	74 243	74 025	73 193	72 882
Intangible assets	10 262	12 649	11 501	11 695	11 485	11 133
Investments accounted for using the equity method	12 619	13 845	11 501	11 809	10 936	11 349
Prepaid pension	5 603	5 242	6 676	5 721	5 986	5 854
Other non-current assets	6 704	7 663	6 815	6 877	7 322	7 157
Total assets	166 145	179 232	164 401	167 025	166 978	164 644
Bank loans and other interest-bearing short-term debt	7 094	7 728	6 157	6 074	8 177	8 913
Trade and other payables	16 693	21 558	18 692	19 716	21 014	22 146
Other current liabilities	3 721	4 771	4 842	4 095	3 688	4 674
Long-term debt	26 595	21 290	18 858	19 985	18 620	10 559
Provisions	6 283	6 892	6 515	6 283	5 577	5 673
Pension liabilities	18 933	19 893	17 099	17 879	16 646	15 981
Deferred tax liabilities	2 562	2 838	3 132	2 911	3 123	3 052
Other non-current liabilities	5 401	7 089	5 025	5 435	4 536	4 252
Equity attributable to Hydro shareholders	75 633	83 213	79 932	80 275	81 143	84 692
Non-controlling interests	3 230	3 959	4 148	4 371	4 452	4 703
Total liabilities and equity	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	Year 2018	Year 2019
Alumina production (kmt)	1 277	829	821	786	805	932	1 320	1 430	1 531	1 442	3 712	4 487
Sourced alumina (kmt)	900	985	907	1 163	711	704	660	769	664	667	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	7 607	7 379
Realized alumina price (USD) ¹⁾	371	430	460	463	373	365	310	281	278	261	429	326
Implied alumina cost (USD) ²⁾	287	367	376	409	311	296	253	255	226	192	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	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	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%	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	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	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	17 282	15 975
Realized premium above LME, USD/mt ⁶⁾	295	364	367	362	344	326	305	257	234	212	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	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	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	1 825	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	2 175	2 000
Primary aluminium production, kmt	514	492	497	490	485	486	522	545	528	509	1 993	2 038
Casthouse production, kmt	531	523	507	496	473	477	509	523	504	478	2 058	1 982
Total sales, kmt ¹⁰⁾	578	549	516	503	534	527	537	529	577	510	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%	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	Year 2018	Year 2019
Remelt production (1 000 mt)	150	153	126	135	131	139	125	121	137	88	563	516
Third-party Metal Products sales (1 000 mt)	70	77	83	73	70	83	82	82	79	85	304	317
Metal Products sales excl. ingot trading (1 000 mt) ¹⁾	745	746	685	682	683	707	662	648	675	606	2 859	2 700
Hereof external sales excl. ingot trading (1 000 mt)	580	563	543	532	539	556	517	536	554	459	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	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	Year 2018	Year 2019
Rolled Products external shipments (1 000 mt)	245	251	235	220	246	242	245	219	236	198	951	952
Rolled Products – Underlying EBIT per mt, NOK	949	844	349	(512)	560	309	678	156	1 266	(289)	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%	5.0%	5.5%
Extruded Solutions	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Year 2018	Year 2019
Extruded Solutions external shipments (1 000 mt)	362	373	343	318	333	348	316	272	305	224	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	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%	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	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	10 693	9 150
Net spot sales, GWh	763	961	1 315	1 166	770	289	582	520	1 169	444	4 204	2 161
Nordic spot electricity price, NOK/MWh	372	373	484	460	457	346	342	390	158	62	423	384
Southern Norway spot electricity price (NO2), NOK/MWh	361	369	475	455	468	360	328	392	154	50	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%	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



	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020	Q2 2020
Precision Tubing												
Volume (kmt)	37	41	41	38	157	34	36	34	31	134	29	17
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
Underlying EBITDA (NOKm)	168	120	121	98	507	86	146	140	84	456	118	139
Underlying EBIT (NOKm)	103	55	50	30	237	18	87	74	19	198	57	74
Building Systems												
Volume (kmt)	20	21	18	19	78	18	22	19	20	79	19	17
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
Underlying EBITDA (NOKm)	167	198	130	155	650	104	233	189	148	674	156	206
Underlying EBIT (NOKm)	116	146	70	99	430	22	143	79	47	291	52	101
Other and eliminations												
Underlying EBITDA (NOKm)	(45)	(46)	(21)	(118)	(230)	(56)	(96)	24	9	(118)	(79)	(48)
Underlying EBIT (NOKm)	(55)	(58)	(35)	(130)	(278)	(58)	(99)	21	3	(132)	(82)	(52)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020	Q2 2020
Extrusion Europe												
Volume (kmt)	159	160	138	129	586	139	142	120	106	503	127	94
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
Underlying EBITDA (NOKm)	417	504	263	201	1 385	346	348	215	203	1 111	436	142
Underlying EBIT (NOKm)	246	333	98	27	705	141	144	6	(25)	266	228	(75)
Extrusion North America												
Volume (kmt)	152	157	152	137	598	146	148	142	116	553	130	96
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
Underlying EBITDA (NOKm)	448	606	439	310	1 802	619	648	532	211	2 082	599	220
Underlying EBIT (NOKm)	325	481	314	176	1 295	469	498	378	40	1 385	435	49

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

Third quarter results October 23, 2020

For more information see
www.hydro.com/ir

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