



MYTILINEOS S.A.

NINE MONTHS 2019 TRADING UPDATE

Athens, Greece – 24 October 2019 – In the first nine months of 2019, MYTILINEOS SA (RIC: MYTr.AT, Bloomberg: MYTIL.GA, ADR: MYTHY US) continues to deliver strong results in line with first half 2019 financial performance.

Specifically, on a consolidated basis:

- **Turnover** amounted to **€1,547.9 million** vs €1,084.5 million resulting in an increase of 42.7%.
- Earnings before interest, tax, depreciation and amortization (**EBITDA**) stood at **€248.0 million** compared to €218.2 million for the corresponding period of 2018, posting an increase of 13.7%.
- **Net profits** after tax and minority interests amounted to **€120.6 million** compared to €117.7 million in the corresponding period of 2018, recording an increase of 2.5%.
- Respectively, **Earnings per Share (EPS)** amounted to **€0.844** against €0.824.
- Net debt stood at €449 million.

Key Consolidated Financial Figures for 9M 2019

| <i>(amounts in mil. €)</i> | 9M2019 | 9M2018 | Δ % |
|----------------------------|---------------|---------------|---------------|
| <i>Turnover</i> | 1,547.9 | 1,084.5 | 42.7% |
| <i>EBITDA</i> | 248.0 | 218.2 | 13.7% |
| <i>EATam</i> | 120.6 | 117.7 | 2.5% |
| <i>EPS</i> | 0.844 | 0.824 | 2.5% |
| Margins (%) | | | Δ(bps) |
| <i>EBITDA</i> | 16.0% | 20.1% | -410 |
| <i>EATam</i> | 7.8% | 10.9% | -306 |

Metallurgy Unit

The Metallurgy Unit continued to record strong performance in the first nine months of 2019, despite a weakened commodity pricing environment over the current period as a result of the trade wars that are in full effect. Despite significant challenges, MYTILINEOS achieved high profitability and high operating margins relying on its fully integrated production model, strict cost control and its consistent and successful hedging policy.

In the nine-month period of 2019, the average price of aluminium in LME remained at similar levels to those seen in the 1st half of 2019, with average aluminium price of \$1,829/t, down 15% compared to the same period last year. The decrease in the LME price was partly offset by higher aluminium products' premiums, which increased by 5%.

As of June 2019, MYTILINEOS, under the New Era 250 program, has completed the acquisition of EPALME and fully consolidates its aluminium scrap recycling activities in its Metallurgy segment. Post acquisition, total annual aluminium capacity has increased by 37,000t/year to 222,000t/year, while the upcoming installation of the new slab casting machine in AoG will further increase capacity by 12,000t/year, all from scrap recycling operations. This development underscores MYTILINEOS' commitment in reducing its environmental footprint, while increasing total aluminium production. As a result, total electricity consumption per ton on a 234,000t/year output is reduced by 19%. There are additional investments to take place in its slab casting machine and scrap recycling facility that will further increase production to 250,000t/year by 2022 that will result in further additional electricity consumption reductions of 6%, resulting in a total reduction from this program of 25% on a \$/ton basis.

In alumina, the API index continued to retreat to lower levels, after the increased volatility that recorded during 2018, a year that had been characterized by US sanctions on the largest alumina and aluminium producer outside China and the curtailment of production by the world's largest alumina plant. As a result of the continued normalization of the market within 2019, the average API index decreased by 27.7% to \$349/t compared to the corresponding period in 2018.

MYTILINEOS throughout this period has maintained its position among the world's most cost competitive alumina and aluminium producers, well within the top 25% of the most cost efficient producers globally based on global output. The new cost containment and productivity improvement program launched in Q3 (code name: Hephaestus) is focused on maintaining this position on the global cost curve.

Power & Gas Unit

The first nine months of the year were characterized by an increase in demand for electricity by 3.4% over the corresponding period of 2018.

The combination of low natural gas prices and high CO₂ prices resulted in a significantly increased production of the Natural Gas units (up 26.9% compared to the corresponding period of 2018).

The increased demand, coupled with high CO₂ prices, led to an increase in the System Marginal Price (SMP) of 14.6% compared to the corresponding period in 2018, to an average price €65.27/MWh.

The above (increased demand & high CO₂ prices), coupled with the ability to source natural gas at highly competitive prices through the purchase of LNG cargoes, and the high efficiency, availability and reliability of the Company's units, have resulted in increased generation production of 4,066 TWh, an increase of 19.9% compared to the nine months of 2018. The total production of thermal and renewable units of the Company amounted to 4.4 TWh, representing 10.9% of total demand in the interconnected system including net imports.

MYTILINEOS, leveraging from its long experience in the direct supply of LNG and pipeline natural gas with a wide network of partners-suppliers, continues to create opportunities in sourcing natural gas at competitive terms by benefiting from the current low market trends. As a result, total natural gas supply costs for MYTILINEOS were significantly lower than the average market price in Greece.

MYTILINEOS, taking advantage of its high consumption profile, scale and access to competitive and diversified supply sources has entered into the wholesale market with strong momentum. MYTILINEOS' share of total natural gas imports in Greece is estimated to exceed 35% in 2019, while about 40% of its portfolio will be sold to third parties.

In terms of supply activity, Protergia is steadily strengthening its presence, currently representing 172,000 customers in electricity and 10,750 customers in natural gas, against 129,000 and 4,600 customers in December 2018, respectively.

On October 2, the foundation laying ceremony took place at the energy center of Ag. Nicholas for the construction of the new GE H-Class 826 MW CCGT. The commission date is set for the end of the fourth quarter of 2021, thereby contributing decisively toward the country's transition to a fuel mix with a significantly smaller carbon footprint. The project is being implemented by MYTILINEOS' EPC & Infrastructure Unit yielding important synergies, not only reducing overall capital costs but it also enhances EPC's credentials in the power market in terms of its ability to construct power plants utilizing the latest available technology.

In RES, within the first nine months of 2019, two new Wind Parks started operation with total capacity of 26.3 MW, raising the Company's production capacity from renewables to 203 MW, while 2 additional 19.1 MW Wind Parks are in the construction phase.

Finally, on July 1, 2019, the Company successfully participated in the competitive process of RES projects announced by RAE for an additional 44.0 MW Wind Park.

EPC & Infrastructure Unit

In the nine months of the year, the financial performance of the EPC and Infrastructure Unit was at a similar level to the corresponding period of 2018. Total backlog was €1,078 million, of which €255 million related to solar EPC projects.

The following projects had the major contribution in the unit's performance for the first nine months of the year:

- "Fast-Track EPC as well as Operation and Maintenance support for a 250MW Power Plant" in Ghana at a contract price of \$369 million.
- "Engineering, Construction & Procurement of a 100 MWp PV Power Plant" in the Zhambyl region of Kazakhstan (MKAT) at a contract price of \$92.5 million.
- "Engineering, Construction & Procurement of a 300 MWp PV Power Plant in the Cáceres region of Spain (TALASOL) at a contract price of €192.5 million."

The Company continues to focus on the timely execution of existing contracts and the undertaking of new projects and investments in targeted markets with increased energy needs.

At the same time, the rapid development in the field of photovoltaic park construction projects, through the subsidiary METKA EGN, continues. This activity is expected to make the largest contribution to the Unit's turnover in 2019 as the execution of contracts awarded in the previous period intensifies.

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MYTILINEOS S.A.

MYTILINEOS S.A. is a leading Greek industry active in Metallurgy, Power & Gas and EPC & Infrastructure. Established in Greece in 1990, the company is listed on the Athens Exchange, has a consolidated turnover in excess of €1.5 billion and employs directly or indirectly more than 2,900 people in Greece and abroad. For more details, please visit the Company's website: www.mytilineos.gr