



## MYTILINEOS S.A. FLASH NOTE - FINANCIAL RESULTS 2021

### RECORD-HIGH PERFORMANCE IN ALL KEY METRICS

**Athens, Greece – 27 January 2022** –MYTILINEOS SA (RIC: MYTr.AT, Bloomberg: MYTIL.GA, ADR: MYTHY US) announces its financial results for 2021.

- **26% increase in Net Profit after minorities to €162 million** vs. €129 million in 2020. Respectively, Earnings per Share came in at €1.193, an increase of 31% compared to the previous year.
- **€0.42 per share proposed dividend** (own equity shares adjusted), increased by 10.4% compared to 2020.
- **Turnover increased by 40%**, stood at **€2,664 million**, compared to €1,899 million in 2020.
- **14% increase in Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)**, which rose to **€359 million**, compared to €315 million in the previous year.
- **Net Debt stood at €803 million, with leverage (Net Debt/EBITDA) at c.2.2x**, in a year with record-high capital expenditures, during which major investments are either near-completion or at full swing.

Commenting on the Financial Results, Company's Chairman and Chief Executive Officer, Evangelos Mytilineos said:

"2021 for MYTILINEOS was both a milestone year with record-high profitability as well as a preparatory period for the transition to higher levels of financial performance and value creation for our shareholders in the following years. We have achieved new record-levels of turnover and profitability, while significant investments have either been completed or are near-completion.

Having made strong commitments for the reduction of our CO<sub>2</sub> emissions, we accelerated the execution of the largest investment program in MYTILINEOS' history, with a total value that exceeded €379m during the year. Alongside our environmental commitments, we have launched new investment plans to strengthen our energy transition process.

In a year full of significant challenges, MYTILINEOS demonstrated its ability to adapt in difficult conditions, with good planning and hard work. In the new, much larger and much more challenging “piste” that we are entering in 2022, we will keep going in this direction, with renewed strength and “vigor”!

During 2021, MYTILINEOS remained steady on a growth trajectory, responding well to the Covid-pandemic challenges, the energy crisis as well as the wider inflationary pressures that erupted in the second half of the year. We have launched, the completion of a series of critical investments like the aluminum production increase to 250,000 tons (project NEW ERA 250), the construction completion of the new 826MW CCGT power plant as well as with the completion of the development of new RES units both in Greece and abroad, with total capacity of over 2.5GW, which will make MYTILINEOS a leading player against the global challenges posed by climate change as well as the need for a smooth energy transition.

## 1. KEY FINANCIAL FIGURES

amounts in m. €	FY 2021	FY 2020	Δ %
Turnover	2,664	1,899	40%
EBITDA	359	315	14%
EATam	162	129	26%
EPS*	1.193	0.913	31%
<b>Margins (%)</b>			<b>Δ(bps)</b>
EBITDA	13.5%	16.6%	-312
EATam	6.1%	6.8%	-70

\*Calculated on a weighted average number of ordinary shares

Compared to 2020 on a consolidated basis:

**Turnover** amounted to **€2,664 million** compared to €1,899 million in 2020, posting an increase of 40%. **Earnings before interest, taxes, depreciation and amortization** (EBITDA) stood at **€359 million**, compared to €315 million in 2020, benefiting from the steadily high performance of the Metallurgy as well as the Power & Gas BUs, coupled with the significantly improved performance of the Sustainable Engineering Solutions BU.

Particularly, for the Power & Gas BU, 2021’s performance was remarkably strong, particularly when considering the 3-month scheduled major inspection of the Korinthos Power CCGT plant as well as the impact of soaring natural gas prices.

**Net Profit**, after taxes and minority interest, rose to **€162 million**, increased by 26% compared to €129 million in 2020.

Regarding Q4 2021:

Turnover increased by **73%**, at **€966 million** vs. €558 million in 2020.

**Earnings before interest, taxes, depreciation and amortization**, benefiting for the robust Power & Gas BU performance, increased by **+46%**, to **€118 million**, compared to Q4 2020 and by **+38%** compared to Q3 2021.

**Net Profit**, after taxes and minorities, came in at **€47 million**, an increase of **+72%** compared to Q4 2020 and **+23%** compared to Q3 2021.

Q4 2021 performance indicates that MYTILINEOS is well-positioned for 2022, a year with strong expectations for new record-levels of profitability.

## 2. BUSINESS UNITS OPERATIONAL UPDATES

### 2.1. Power & Gas Business Unit

amounts in m. €	FY 2021	FY 2020	Δ %
Revenues	1,261	927	36%
EBITDA	147	157	-6%
<b>Margins (%)</b>			<b>Δ(bps)</b>
EBITDA	12%	17%	-524

#### Greek Market Data – 2021

Production per Unit type [GWh]	FY 2021	FY 2020	FY 2021 % of mix	FY 2020 % of mix
Lignite	5,341	5,737	10%	11%
Natural Gas	21,751	18,691	42%	37%
Hydros	5,294	2,903	10%	6%
RES <sup>1</sup>	16,315	13,835	31%	28%
Net Imports	3,683	8,860	7%	18%
Other	20	4	0%	0%
<b>Total</b>	<b>52,404</b>	<b>50,030</b>	<b>100.0%</b>	100.0%

<sup>1</sup>Renewable Energy Sources

<b>MYTILINEOS Generation (GWhs)</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>Δ%</b>
Thermal Plants	5,075	5,549	-9%
RES	539	522	3%
<b>Total</b>	<b>5,614</b>	<b>6,072</b>	<b>-8%</b>

Power & Gas Business Unit recorded a **turnover** of **€1,261 million**, corresponding to 47.3% of the company's total turnover, posting a +36% increase on year-on-year basis. **Earnings before interest, taxes, depreciation and amortization** stood at **€147 million** remaining at comparable levels against 2020 (€157 million), despite Korinthos Power CCGT plant's downtime due to the scheduled maintenance, which had an adverse effect on the BUs profitability of €15 million on the EBITDA level.

Domestic electricity consumption in 2021, despite the Q1 2021 decrease (-5.4%) due to the pandemic, has since recovered, ending 2021 with a 4.6% growth vs. 2020, fueled by the economic rebound as well as by the extreme temperatures during the summer period.

The significant increase in demand coupled with suppressed supply due to geopolitical tensions, led European natural gas prices at record high levels while exploding energy costs, were further supported by high CO2 prices. Under this environment, market's wholesale price (DAM) skyrocketed at 116€/MWh in 2021, a year-on-year increase of 157%.

MYTILINEOS, due to its significant experience and expertise in the commodity markets, realised the challenges in a timely manner and adapted its commercial policy accordingly, in an effort to safeguard both the interests of its customers as well as its own profitability.

At the same time, MYTILINEOS, is benefiting from the high efficiency, availability and reliability of its plants combined with its ability to source natural gas at very competitive prices, due to its access at flexible pipeline natural gas sources through direct contracts with major global producers and suppliers.

It is worth noting that natural gas and renewable energy sources (RES) covered over 70% of total country needs, signaling the transition to a greener energy mix. Despite the increased demand, lignite's contribution in the energy mix dropped to 10%, which is a new historical low.

Total production from company's thermal plants and RES stood at 5.6 TWh in 2021, from 6.0 TWh in 2020, representing a 10.7% of the total domestic demand. The lower production compared to the previous year, is attributed to the three-month scheduled "Major Maintenance" of the Korinthos Power CCGT plant, from March to May. Since then, the plant is operating normally, contributing to the country's electricity needs.

Regarding electricity supply, Protergia maintained its leading position in 2021, as the largest independent supplier, widening its customer base to 334,000 electricity and natural gas customers, against 285,000 in 2020, shaping its market share at the end of the year at 7.1%.

MYTILINEOS, pursuing its target to strengthen its presence in the RES market both in Greece and abroad, while remaining focused on its ambitious environmental commitments, during Q1 2021 completed the acquisition of a portfolio of 20 under-development Solar PV parks with total capacity of c.1.5 GW alongside with 25 under development energy storage projects in Greece. On top of that, another 43.2 MW of wind parks are in advanced stage of construction.

MYTILINEOS, following the anticipated operational launch of the new 826MW natural gas fueled CCGT plant, will operate the most efficient thermal plant fleet in the Greek market, with total installed capacity, RES included, of more than 2.3GW. Hence, company's market share in production is expected to double. The aforementioned development, will also enable the company to gradually claim a proportional higher market share in the electricity supply, considering both current market conditions as well as the strong growth prospects of the Greek economy in the following years.

## 2.2. Metallurgy Business Unit

amounts in m. €	FY 2021	FY 2020	Δ %
Revenues	668	537	24%
EBITDA	159	149	7%
<b>Margins (%)</b>			<b>Δ(bps)</b>
EBITDA	24%	28%	-394

<b>Total Production Volumes (ktons)</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>Δ%</b>
Alumina	871.0	826.5	5.4%
Primary Aluminium	183.6	181.9	0.9%
Recycled Aluminium	51.0	42.5	20.0%
<b>Total Aluminium Production</b>	<b>234.5</b>	<b>224.4</b>	<b>4.5%</b>

<b>Aluminum &amp; Alumina Prices (\$/t)</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>Δ%</b>
3M LME	2,483.7	1,728.0	43.7%
Alumina Price Index	329.3	270.8	21.6%

During 2021, both Alumina refinery and Aluminium smelter of the Metallurgy Business Unit, operated unobstructed, increasing production levels, mainly those of recycled aluminium, as well as the Alumina production, in an effort to meet increasing demand, in line with MYTILINEOS's ambitious environmental targets.

The Metallurgy Business Unit recorded a **Turnover** of **€668 million**, which corresponds to 25.1% of the total turnover, comparing well with the €537 million in 2020. **EBITDA** came in at **€159 million** vs. €149 million in the previous year.

During 2021, 3M LME prices sharply increased, recording a new 13-year high, due to a number of factors like, the energy crisis and the subsequent inflationary pressures, the low levels of metal's availability, the loose monetary policy, as well as the global trend towards "green" economy, contribute to the global growth of demand while at the same time, set boundaries in the supply-side affecting the availability of the metal, leading Aluminum market into a deficit.

Specifically, the average Aluminium's price (LME 3M) rose to 2,484\$/tn in 2021, an increase of c.44% vs. 2020, while in early-Q4, LME prices surged to c.3,180\$/tn, a 13-year high for the metal.

Aluminium billet prices followed an even more impressive pattern, recording a sharp increase of c.250% at an average 2021 price of 992 \$/tn, from 287 \$/tn in 2020. Currently, billet's premium is trading at >1,500\$/tn, further enhancing 2022 Metallurgy BU's profitability.

Although initially didn't follow the strong upward trend of Aluminium prices, Alumina's Price Index (API), picked up in Q4, reaching a 2021 average price of 330\$/tn, a 21.6% higher compared to 2020. Should energy prices be maintained at current high levels for the rest of 2022, alumina prices should further increase in order for alumina production capacity levels remain unaffected.

With regards to costs, global economic recovery led to an increase in raw material and transportation costs, with the upsurge in energy prices, in H2 2021 in particular, driving the increase of Alumina's production cost and to a lesser extent the production cost of primary Aluminium.

The aforementioned cost pressures have impacted the most vulnerable producers, particularly those based in Europe, resulting to production cuts or even to smelter closures. It is estimated that more than 600kt of Aluminium capacity (>15% of total European production-EU28 & EFTA) have already been cut, with a further decrease in European production capacity being expected.

MYTILINEOS, in this area, has also taken the appropriate measures timely to face the various cost variables and especially the energy cost, while it is taking advantage of the current favorable Aluminium price environment to secure high profitability in the years to come.

At the same time, the company is continuously focused on tight cost control, further enhancing its highly competitive position. The production enhancement and cost optimization program named "Hephaestus" has been successfully completed at the end of 2021.

At the end of the year, a series of investments have been successfully concluded, regarding the increase in the production capacity of Alumina by 40 thousand tonnes, to 875 thousand tonnes, while the project NEW ERA 250 has also been completed. The latter investment, increased Aluminium's production capacity to 250 thousand tonnes, out of which 26% will

come from recycled Aluminium, significantly reducing electricity consumption per tonne (c. 25% reduction is expected).

### 2.3. Renewables & Storage Development Business Unit

amounts in m. €	FY 2021	FY 2020	Δ %
Revenues	365	263	38%
EBITDA	21	15	41%
<b>Margins (%)</b>			<b>Δ(bps)</b>
EBITDA	6%	6%	9

The Renewables & Storage Development (RSD) Business Unit, has notably improved its performance compared to 2020, showing its growth prospects. In particular, the RSD BU has recorded **€365 million turnover** in 2021, which corresponds to 13.7% total turnover, compared to €263 million in 2020. **EBITDA**, stood at **€21 million**, from €15 million in 2020, posting a 41% increase.

Build, Operate & Transfer (BOT) projects, were major contributors in the aforementioned performance, with two new transactions have been concluded during the year, for the sale of projects with 89MW & 100MW capacity in Romania and Spain respectively.

Other factors contributed towards RSD's performance, were also the contracting and commencement of construction of a series of projects in South America, Europe and Uzbekistan. In total, 878MW of projects have been contracted in 2021, with the signed backlog currently standing at €260 million, while €91 million of projects are in mature stages of contracting.

2021, has been the first year during which BU's turnover was enhanced from projects that came in operation in Australia and Cyprus.

Regarding the BOT projects, on top of the Romania and Spain portfolio sales' agreement, RSD BU concluded project acquisition agreements in Latin American and European countries. The development of projects in countries like Chile, Italy, the United Kingdom, Australia, Spain and South Korea proceeded without delays. The total capacity of mature BOT projects currently stands at 1,963 MW out of which:

- 121MW in operation
- 526MW are under construction
- 608MW licensed are Ready To Build (RTB) or in RTB status in H1 2022
- 708 MW in Ready To Build status until the end of 2022



On top of the above, BOT portfolio also includes projects in early-stage of development, with capacity of c.3.0GW.

At the beginning of Q4, RSD BU strengthened its presence in the Italian market, by acquiring, via auction, a project with capacity of 52.8 MW, while also securing a 20-year agreement, at a price of 65.17 €/MWh. It is worth mentioning that, besides the above-mentioned project, the licensing of a portfolio of projects in Italy with total capacity of 67MW has also been completed and are ready for construction.

Moreover, at the end of 2021, RSD BU has reached financial closure of three projects with total capacity of 118MW in Australia, with the total amount of financing reaching AUD 95 million.

#### 2.4. Sustainable Engineering Solutions Business Unit

amounts in m. €	FY 2021	FY 2020	Δ %
Revenues	370	171	116%
EBITDA	34	-2	-
<b>Margins (%)</b>			<b>Δ(bps)</b>
EBITDA	9%	-	-

2021 has marked the restart of the Sustainable Engineering Solutions Business Unit, which returned to profitability, after a year with significant challenges, among others, due to the pandemic, but also with a new strategic focus towards Energy Transition and Sustainability projects. In detail, **turnover** rose to **€370 million**, posting a 116% increase, compared to 2020, while **EBITDA** came in at **€34 million** vs. -€2 million of losses in 2020.

Main contributing factors to the aforementioned performance are: a) The relaunch of construction of the project Engineering, Procurement and Construction of a 650MW power plant in Tobruk, Libya with contract value of \$372 million, b) the continuation of the project “Engineering, Procurement and Construction of a Combined Head and Power plan” in Ljubljana, Slovenia, with contract value of €118 million, c) the continuation of the project, Engineering, Procurement and Construction of the “Protos” Energy Recovery Facility) in Cheshire, England, which will treat 400,000 tonnes of non-recyclable waste per year, with contract value of €182 million.

Regarding the Waste-to-Energy projects, MYTILINEOS, identifies significant prospects in the field of environmental solutions and is actively engaged in discussions to undertake such projects, having gained market’s recognition as a Turn-Key contractor for large-scale projects. In this context, SES BU provides solutions to address national and global energy transitioning targets, including the development of sustainability projects and the implementation of new energy technologies. Such projects, comprise already 22% of the signed backlog, while there are prospects for further increase.



Within the year, the dynamic penetration of the BU in the field of Transmission & Distribution was reflected with the conclusion of agreements for the implementation of projects in Greece, Georgia and Albania, with total contractual value of c.€103 million. Additionally, the BU is benefiting from its know-how in the construction of thermal plants, targeting similar projects in Europe (England, Belgium, Poland and Italy in particular), where demand has recently increased.

In view of the European Recovery Fund (RRF) and the significant growth opportunities for the Greek Economy, MYTILINEOS, is well-placed to benefit from the arising opportunities, utilizing its strong credentials as well as its know-how in infrastructure projects as well as projects related to sustainability and energy transition.

Finally, the signed backlog of the contracted projects amounts to €754 million at the end of 2021, while including the projects that are in a mature stage of contracting, the pipeline reaches c.€2.4 billion from €1.6 billion at the end of 2020.

### **Prospects for 2022**

2022 started with positive prospects for the Greek economy, which is expected to maintain its fast pace of growth, recovering from a very low level, owing to the prolonged recession followed by the pandemic. The prospects of regaining the “Investment Grade” status as well as the inflows expected from the European Recovery Fund in vital sectors of the economy should offer an extra boost, with analysts expecting strong growth going forward.

At an international level, critical issues such as inflation, energy cost, interest rates, supply chain disruptions, the evolution of the pandemic as well as geopolitical turbulence, are expected to remain at the forefront and affect the course of the global economy during 2022.

MYTILINEOS, having as a starting point Q4 2021 stellar performance as well as relevant key 2022 milestones, like:

- The commercial operation of the new 826MW CCGT plant, expected in Q3 2022
- Aluminium production increase to 250kt
- Aluminium favorable pricing environment, coupled with the tight cost control
- The development of RES portfolio with capacity of >1.0GW, in Greece and abroad
- The strong recovery of the domestic electricity consumption
- The maturity of new significant projects in RSD BU

lays the foundation for another record-breaking performance in 2022, in line with Management’s targets.

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**MYTILINEOS:**

MYTILINEOS S.A. is a leading Greek industry active in Metallurgy, Power & Gas, Renewables & Storage and Sustainable Engineering Solutions. Established in Greece in 1990, the company is listed on the Athens Exchange, has a consolidated turnover of €2.7 billion and employs directly or indirectly more than 4,820 people in Greece and abroad.

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