



MYTILINEOS

**MYTILINEOS COMPANY SA
ANNOUNCES 2019 FINANCIAL RESULTS**

- **Turnover increased by 47.8% to €2,256.1 million vs. €1,526.5 million in 2018**
- **Earnings before interest, tax depreciation and amortization (EBITDA) reported at €313.2 million vs. €283.6 million in 2018. (up +10.4%)**
- **Net profit after minority interests and tax was €144.9 million vs €141.2 million in 2018.**
- **Earnings per share (EPS) of €1.014 vs. €0.988 in 2018**
- **Proposed Dividend per share of €0.36**
- **Net Debt decreased by €22 million to €421 million vs €443 million at the end of 2018 (including the increased effect of €53 million due to IFRS 16 implementation), , despite a significant increase in capital expenditures of €122 million vs. €47 million in 2018**
- **Leverage ratio of Net Debt to EBITDA ended the period at 1.4x**

Athens, Greece – 19 March 2020 - MYTILINEOS SA (RIC: **MYTr.AT**, Bloomberg: **MYTIL.GA**) today announced its full-year financial results for 2019. A conference call will be held at 16:00 Greek time, during which the Management will present the results and take questions from analysts. Information about the conference is available on the Company's website: www.mytilineos.gr.

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

“2019 has been another year of growth for our Company with turnover for the first time exceeding the €2.0 billion mark. The 50% increase in turnover in 2019 demonstrates our ability to continue to grow despite significant market headwinds in the Metallurgy business. It also verifies the quality of our diversified business model which has consistently enabled us to generate significant free cash flow throughout various cycles. In addition, our successful debut Euro bond issuance demonstrates the attractiveness of our integrated model to investors globally.”

Key Consolidated Financial Results for the Full Year 2019

(mn. €)	FY2019	FY2018	Δ %
Turnover	2,256.1	1,526.5	47.8%
EBITDA	313.2	283.6	10.4%
EATam	144.9	141.2	2.6%
EPS	1.014	0.988	2.6%
Margins (%)			Δ(bps)
EBITDA	13.9%	18.6%	-470
EATam	6.4%	9.2%	-282

Summary of 2019 Full Year Financial Results

Turnover rose 47.8% to €2,256.1 million from €1,526.5 million in 2018, supported by the strong growth achieved by the Power & Gas Unit.

EBITDA increased by 10.4% to €313.2 million vs. €283.6 million in 2018 attributable to the increased performance of the Power & Gas Unit, the strong profitability maintained by the Metallurgy Unit despite the soft pricing environment, as well as the positive contribution of the International Renewables and Storage Development (RSD) Unit, which during 2019 was still part of the EPC and Infrastructure Unit.

Specifically, 2019 has been a year of transition in the Power & Gas unit due to Greece's delignification, with Natural Gas surpassing lignite for the first time in the fuel mix, which favored the Company's leading position in natural gas generation. In Metallurgy, despite the soft pricing environment, the Company leveraged its low-cost structure and prudent risk management strategies to maintain its profitability at record high levels, while in the EPC and Infrastructure Unit 2019 marks the first year where Solar PV EPC became a major revenue and profitability contributor.

Net profits after taxes and minority interests were increased at €144.9 million vs. €141.2 million (+2.6%), despite being negatively affected by increased depreciation and the negative effect from IFRS 16 implementation.

Increased operating profitability coupled with efficient management of working capital led to strong operating cash flow generation of €244.4 million vs. €162.0 million in 2018. Correspondingly, free cash flow increased to €122.4 million from €115.0 million in 2018, despite an increase in capital expenditures that amounted €122.0 vs €46.6 million in 2018 with major investments including renewable energy capacity additions, the new Combined Cycle Gas Turbine ("CCGT") plant and the acquisition of the EPALME aluminium recycling business.

Net Debt decreased to €421m vs €443m at the end of 2018, while the successful debut bond issuance of €500m priced at 2.5% in November 2019 decreased cost of debt and increased the end of year cash position.

Business Unit results

Metallurgy

(in mn. €)	FY2019	FY2018	Δ%
Alumina			
Revenues	145.3	175.8	-17.3%
EBITDA	44.1	83.1	-46.9%
% margin	30.4%	47.3%	
Aluminium			
Revenues	442.4	370.0	19.5%
EBITDA	117.0	82.6	41.7%
% margin	26.5%	22.3%	
Other			
Revenues	7.2	5.0	43.6%
EBITDA	0.6	-3.2	n.m
% margin	8.3%	-	
Total			
Revenues	594.9	550.8	8.0%
EBITDA	161.7	162.5	-0.4%
% margin	27.2%	29.5%	

The Metallurgy business unit recorded turnover of €594.9 million, which represents 26.4% of total turnover, compared to €550.8 million in 2018.

2019 was another year of strong operational performance. Alumina production topped the annual capacity of 820 ktons, while Aluminium production, strengthened by the acquisition of EPALME in May 2019, increased by 11% to 209 ktons. Moreover, 25 ktons of Recycled Aluminium was produced for the first time in 2019, of which 20ktons was from the EPALME acquisition and a smaller amount through investments made at the plant's cast house to enhance recycled aluminium production. We need to emphasize here that the benefit of recycled aluminium is the fact that it utilizes 5% of the electricity consumption required for the production of primary Aluminium.

EBITDA in 2019 for the Metallurgy business unit was €161.7 million vs. €162.5 million in 2018. This was a very strong performance considering the overall soft pricing environment, especially in the second half of the fiscal year. More specifically, the downtrend of Aluminum prices that started in mid-2018 continued throughout 2019, bringing the three

month average LME prices to \$1,810 per ton in 2019, a decrease of 14% as compared with the prior year.

Similarly, the Aluminum API index, after an unprecedented high performance in 2018 due to several supply issues globally, fell by approximately 30% in 2019 as the reasons that led to the explosive rise in prices in 2018 abated.

Despite market headwinds, MYTILINEOS achieved high profitability and high operating margins based on its fully integrated production model and strict cost control and favored by its effective risk management.

In more detail:

- Turnover for Aluminium rose 19.5% to €442.4 million, compared to €370.0 million in 2018. Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) increased to €117.0 million from €82.6 million.
- Turnover for Alumina decreased to €145.3 million, compared to €175.8 million in 2018. EBITDA decreased by 46.9% to €44.1 million from €83.1 million in 2018.

The Company, in line with its long-term strategy and continuous effort on improving competitiveness has launched a new program targeting productivity improvements, following its historical track record in succeeding significant operational cost efficiency initiatives. The new program, Hephaestus which started in July 2019 is aimed at both cost competitiveness and productivity to maintain and improve the Company's first quartile position in the cost curve. The program targets a total amount that exceeds €60m out of which 50% refers to recurring EBITDA and 50% refers to one off items.

With respect to the alumina expansion project, the company has been working together with a Chinese firm to complete the technical study. The ongoing situation with COVID-19 has led to a delay in the progress of this work, resulting in corresponding delays in the MYTILINEOS procedures toward taking a final investment decision (FID) for this project. The Company will provide information on the latest developments in the context of its overall capital allocation plans.

Power & Gas

(in mn. €)	FY2019	FY2018	Δ%
Electricity Supply			
Revenues	387.4	258.1	50.1%
EBITDA	0.6	8.9	-93.3%
% margin	0.2%	3.5%	
Electricity Production			
Revenues	320.4	271.3	18.1%
EBITDA	55.7	35.2	58.1%
% margin	17.4%	13.0%	
Natural Gas Supply			
Revenues	246.3	50.8	384.9%
EBITDA	14.1	-2.0	n.m
% margin	5.7%	-	
RES			
Revenues	42.0	27.9	50.8%
EBITDA	30.5	18.2	67.4%
% margin	72.7%	65.5%	
Total			
Revenues	996.1	608.1	63.8%
EBITDA	100.9	60.4	67.2%
% margin	10.1%	9.9%	

The unit recorded turnover of €996.1 million, which represents 44.2% of the total turnover in 2019, compared to €608.1 million in 2018.

EBITDA for the Power & Gas unit for 2019 was €100.9 million, up from €60.4 million, marking an increase of 67.2% compared to 2018.

In terms of market dynamics, in 2019 electricity demand increased by 1.3% while CO2 prices increased by 59%, resulting in increased wholesale prices (System Marginal Price – SMP) of €63.8/MWh, an increase of 5.7% compared to 2018.

2019 has been a landmark year for the electricity market regarding the target of Greece to decommission all lignite power generation capacity by 2028. More specifically, power from lignite declined by 30% following the sharp increase of CO2 prices with Natural Gas becoming the major contributor to the fuel mix which was up 13.5% compared to 2018..

In this context, the Company's CCGT units, which benefitted from the Company's capabilities in natural gas procurement, achieved a 16% increase in electricity production

exceeding 4.2 TWhrs. Including renewable energy production, total electricity produced amounted to 5.8 TWhrs, corresponding to 11.2% of total demand of the country.

The performance of the individual activities of the Power & Gas Unit were as follows:

- Electricity supply activity recorded turnover of €387.4 million vs €258.1 million in 2018, since Protergia continued to strengthen its position by steadily increasing its market share to 5.5% from 4.0% at the end of 2018, exceeding 190,000 customers. EBITDA amounted to €0.6 million in 2019 as compared with €8.9 million in 2018 primarily due to higher prices driven by high CO2 prices.
- Thermal generation recorded turnover of €320.4 million vs €271.3 million in 2018, an increase of 18.1% benefiting both from higher production and increased market prices. EBITDA similarly increased 58.1% to €55.7 million vs €35.2 million, while margin stood at 17.4%, with capacity payments in place in the first quarter of 2019 and the last quarter of 2018.
- The new activity of Gas supply to third parties, as discussed in more detail below, recorded turnover of €246.3 million and EBITDA of €14.1 million in 2019.
- Electricity production from renewable energy sources recorded a 38.3% (430 GWh from 311 GWh in 2018) increase, as overall installed capacity increased to 211 MW, with 34.5 MW being added during 2019. EBITDA increased to €30.5 million from €18.2 million with EBITDA margin at 72.7%. The Company expects that additional capacity of 100MW will be coming online over the next two years.

MYTILINEOS managed to import in total 18 LNG cargos shifting from Brent and Fuel Oil linked Gas sources to LNG, the latter becoming more than 60% of MYTILINEOS total Gas portfolio vs 25% in 2018.

As a result, total natural gas supply costs for MYTILINEOS were significantly lower than the average market price in Greece, further extending the Company's competitive advantage as the mix of energy used transitions toward cleaner sources of energy.

MYTILINEOS captive portfolio and long experience in the supply of natural gas provided a significant competitive advantage for the Company's Power Generation Units while simultaneously providing the opportunity to increase sales to third parties and creating a new profitable business line.

Moreover, MYTILINEOS continues to invest in the domestic power sector playing a significant role in the ongoing decarbonization process, supporting the country's transition to cleaner sources of energy. In October 2019, the Company started the construction of a new 826 MW high efficiency plant that will operate with GE class H technology and is expected to be commissioned during the fourth quarter of 2021.

Construction timeline is on track and is being undertaken by the EPC & Infrastructure Business Unit and total investment amount will not exceed the initial guidance of € 300 million.

EPC & Infrastructure

(in mn. €)	FY2019	FY2018	Δ%
EPC & Infrastructure			
Revenues	254.2	242.5	4.8%
EBITDA	20.3	41.4	-50.9%
% margin	8.0%	17.1%	
Solar Parks			
Revenues	388.2	85.2	355.8%
EBITDA	29.1	4.5	547.4%
% margin	7.5%	5.3%	
Maintenance Services & Other			
Revenues	23.4	39.7	-41.1%
EBITDA	1.9	9.0	-79.3%
% margin	8.0%	22.7%	
Total			
Revenues	665.8	367.3	81.2%
EBITDA	51.2	54.9	-6.6%
% margin	7.7%	14.9%	

The unit recorded a turnover of €665.8 in 2019, which represents 29.5% of total turnover, compared to €367.3 million in 2018.

EBITDA remained almost flat at €51.2 million against €54.9 million in 2018 with operating margin decreasing to 7.7%.

EPC & Infrastructure results at the revenue line were materially supported through solar photovoltaic (“PV”) construction activities. As installed Solar PV capacity globally is expected to significantly grow and double by 2023, Mytilineos with solid capabilities across the Solar projects lifecycle coupled with the required liquidity is well positioned to capitalize in this growing market for both third party construction as well as through its own solar development platform.

The recently completed full acquisition of its subsidiary METKA EGN, which is already established as one of the largest Solar PV and energy storage developers worldwide is a major step towards the strategic focus of the Company in this market. In line with this and as a further step, as of January 2020, a new business unit (BU) dedicated to these projects has been created, International Renewables and Storage Development (RSD) Business Unit, ensuring its focused growth in this business area.

In addition, the RSD BU concluded its first solar development project sale, a group of operational solar power parks in Northern & Central Greece totaling 47MW for a total consideration of €45.8m.

The Traditional EPC & Infrastructure continues to pursue opportunities in gas-fired construction projects globally. In addition, it is increasingly focusing on storage, hybrid and waste management projects.

Total backlog for the period ending 31st December 2019 amounted to €915 million, of which €137 million refer to RSD related solar construction projects.

Outlook for 2020

The emergence and spread of COVID-19 initially in China and then around the world and into Europe has created a particularly challenging economic environment undermining growth prospects globally.

Monitoring closely the developments both on the domestic and international level, MYTILINEOS has implemented steps toward protecting the health and safety of its employees, as well as to safeguard the seamless continuation of its operations and to further strengthen its position in each one of its business activities.

Further to the ongoing operational risk management due to the COVID-19 pandemic, the Company is also undergoing a full review of its investment plan where appropriate to further secure its already robust financial position.

MYTILINEOS currently has a strong balance sheet with a low leverage ratio and total liquidity available in excess of €1 billion, with no significant maturities until mid-2022. These tools offer significant credit risk protection and financial flexibility in a rapidly changing environment.

The Company's management has been able to successfully meet significant challenges over the recent years, including the international and the Greek crisis.

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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 of €2.3 billion and employs directly or indirectly more than 3,380 people in Greece and abroad.

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