



MYTILINEOS S.A.
NINE MONTHS 2021 TRADING UPDATE
RECORD-HIGH LEVEL OF PROFITABILITY FOR 2021 – SUBSTANTIAL MATURE
INVESTMENTS SET THE GROUND TO LEVEL-UP 2022 PROFITABILITY

Athens, Greece – 26 October 2021 –MYTILINEOS SA (RIC: MYTr.AT, Bloomberg: MYTIL.GA, ADR: MYTHY US) announces nine months financial results.

- **62.4% increase in EPS** on an adjusted basis for extraordinary and non-recurring events compared to the first nine months of 2020, or 18% on a non-adjusted basis, with **Net Profits** after minority interests amounting to **€115 million**
- **Turnover** reached **€1,698 million**, a **27% increase** compared to the corresponding period in 2020.
- **EBITDA** came in at **€241 million**, a **23% increase** vs. the nine months of 2020 on an adjusted basis for extraordinary and non-recurring events. In a non-adjusted basis, EBITDA increased by c.3% year-on-year.
- **Net Debt stood at €804 million**, resulting in a **Leverage Ratio** (Net Debt / EBITDA) of 2.5x, during a year with significant investments being either finalized or in full deployment.

As we are moving towards the end of 2021, a year which, despite the ease of the pandemic effects, brings challenges just as important to those of 2020, MYTILINEOS delivers new record-levels of revenues and profitability, while its investment programme continues apace, paving the way for the transition to significantly higher financial figures in the years to come, in-line also with the ambitious environmental goals the company has set.

Global economy, despite recording the fastest growth rate in recent years, is now facing critical secondary effects from the pandemic, such as inflationary pressures, rise in commodity prices, supply chain disruptions, rising energy costs, record-high sea freight rates; with growing cost pressures gathering pace in the second half of the year, undermining growth prospects. These adverse conditions are testing businesses in Greece, European Union as well as the rest of the world.

Having recognized early-on the above-mentioned challenges, MYTILINEOS has undertaken the necessary measures, particularly with regards to the energy costs, which ensures the achievement of new historically high profitability for 2021, while laying the foundation for a change in the level of its financial performance over the next year. Significant investments like the increase of total Aluminium production capacity to

250,000 tons (project NEW ERA 250), the commissioning of a new 826MW CCGT plant as well as the development of new RES, in Greece and abroad, with total capacity of over 2.5GW, are gradually moving to completion phase.

1. KEY FINANCIAL FIGURES

amounts in m. €	9M 2021	9M 2020	Δ %
Turnover	1,698.1	1,341.0	27%
EBITDA	241.2	234.5	3%
EATam	115.2	101.8	13%
EPS*	1.044	0.886	18%
Margins (%)			Δ(bps)
EBITDA	14%	17%	-329
EATam	7%	8%	-80

*LTM, adjusted on treasury shares

Compared to the nine months of 2020 on a consolidated basis:

Turnover amounted to **€1,698.1 million** compared to €1,341.0 million in 2020, posting an increase of 27%. **Earnings before interest, taxes, depreciation and amortization (EBITDA)** stood at **€241.2 million**, compared to €234.5 million during the first nine months of 2020, benefiting from the significantly improved performance of the Sustainable Engineering Solutions Business Unit, which returned to profitability after undertaking new contracts, as well as from the consistently strong performance of the Metallurgy Business Unit. The solid performance of the Metallurgy, SES and RSD BUs more-than-offset the expected weaker performance of the Power & Gas BU, mainly due to the 3-month scheduled major maintenance of the Korinthos Power plant, as well as due to the unprecedented pressure exerted from the high natural gas prices. If the scheduled maintenance of Korinthos Power had not been carried out in 2021, the 9M 2021 EBITDA, are estimated to have increased by approximately €15 million.

In a period of great fluctuations, comparative analysis acquires special importance. Therefore, it is worth noting that **excluding the effects of non-recurring factors, the adjusted increase in EBITDA for the nine months of 2021 compared to the corresponding period of 2020 amounts to c.23%.**

Net Profits after taxes and minority interests shaped at **€115.2 million** in the nine months of 2021, an increase of 13% compared to €101.8 million in the corresponding period of 2020. **Respectively, if the comparison was made on an adjusted basis for extraordinary and non-recurring events, the year-on-year increase would have been 55%.**

2. BUSINESS UNITS OPERATIONAL UPDATES

2.1. Power & Gas Business Unit

amounts in m. €	9M 2021	9M 2020	Δ %	Δ % (adjusted)
Revenues	687.9	664.6	3%	-
EBITDA	81.8	122.3	-33%	-15.4%
Margins (%)			Δ(bps)	
EBITDA	12%	18%	-651	-

Greek Market Data – 9M 2021

Production per Unit type [GWh]	9M 2021	9M 2020	9M 2021 % of mix	9M 2020 % of mix
Lignite	4,212	3,936	10.6%	10.3%
Hydros	3,993	2,315	10.1%	6.1%
Natural Gas	15,902	13,242	40.1%	34.7%
RES ¹	11,877	11,098	30.0%	29.1%
Net Imports	3,640	7,552	9.2%	19.8%
Other	14	2	0.0%	0.0%
Total	39,637	38,145	100.0%	100.0%

¹Renewable Energy Sources

MYTILINEOS Generation (GWhs)	9M 2021	9M 2020	Δ%
Thermal Plants	3,614	4,119	-12%
RES	371	381	-3%
Total	3,985	4,500	-11%

In the nine-month period of 2021, the Power & Gas Business Unit recorded **turnover** of **€687.9 million**, or 40.5% of the company's total turnover, remaining almost unchanged (+3%) compared to the respective period of previous year.

Domestic electricity consumption in the first nine months increased by 3.9%. Following a fall of 5.4% in Q1 2021 due to the pandemic, demand rebounded strongly in Q2 and Q3 (+7.6% & +9.9% respectively), supported by the above-average summer temperatures.

During H2 2021, while humanity still coping with the continuing impact of the Covid-pandemic, the global community faces a major energy crisis, which combined with the pre-existing inflationary pressures, threatens to slow down economic growth.

In Europe in particular, natural gas prices are at an all-time high, with CO₂ prices hovering at record-high levels, while governments are forced to tackle soaring energy costs ahead of winter.

The above are directly affecting the wholesale market, with the prices in the Energy Exchange soaring to 119€/ MWh in Q3, an increase of 167%, which poses significant challenges for both suppliers and consumers. MYTILINEOS, having recognized, in a timely manner, the challenges derived from the current situation and based on its extensive experience in the commodity markets, has managed to adapt its commercial policy on-time, to protect both its shareholders as well as its customers at a time of market turbulence.

Total production from both thermal plants and renewable energy sources came in at 4.0 TWh, representing 10.1% of total domestic demand. Regarding the electricity supply, Protergia holds an 8.1% market share as at the end of September.

MYTILINEOS's thermal plants production decreased to 3.6 TWh down from 4.1 TWh in the corresponding period of 2020, as, it has already been reported, the Company proceeded with the scheduled three month "Major Maintenance" of Korinthos Power plant between March and May 2021. The power plant has been operating since early-June 2021, contributing to the country's energy needs.

MYTILINEOS following the launch of the new 826MW natural gas fired plant (CCGT) by year-end, will achieve ~2.3GW of total installed capacity from both thermal and RES plants, doubling its current market share in terms of productions. That will, in turn, enable the Company to claim a proportionally higher market share in the electricity supply as well, when considering current market conditions, as well as Greek economy's strong growth potential in years to come.

2.2. Metallurgy Business Unit

amounts in m. €	9M 2021	9M 2020	Δ %	Δ% Adjusted
Revenues	482.3	393.0	23%	-
EBITDA	119.4	115.8	3%	23.0%
Margins (%)			Δ(bps)	
EBITDA	25%	29%	-469	-

Total Production Volumes (ktons)	9M 2021	9M 2020	Δ%
Alumina	648.0	616.8	5.1%
Primary Aluminium	135.8	135.3	0.4%
Recycled Aluminium	37.2	23.1	61.1%
Total Aluminium Production	173.0	158.4	9.2%

Aluminium & Alumina Prices (\$/t)	9M 2021	9M 2020	Δ%
3M LME	2,393.0	1,622.3	43.9%
Alumina Price Index	300.9	268.1	11.9%

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

The Metallurgy Business Unit recorded a **Turnover** of **€482.3 million** in the nine-month period, which corresponds to 28.4% of the total turnover, comparing well with the €393.0 million of Q3 2020. **EBITDA** came in at **€119.4 million** vs. €115.8 million in the corresponding period of 2020.

Since the beginning of the year, aluminium prices have risen sharply, recently reaching a new all-time high, mainly due to supply constraints as well as the significant increase in global demand fueled by the pandemic stimulus measures, the loose monetary policy, inflationary pressures, the escalating energy crisis as well as the global trend of "green" economy development.

In particular, during the first nine-months, average price of Aluminium (LME 3M) came in at 2,400 \$/tn, up 44% compared to the corresponding period of 2020, while recently reached 3,180 \$/tn. Premiums are also recording a sharp increase, having doubled since the beginning of the year.

The Alumina Price Index (API) nine-month average price of 300 \$/tn, an increase of 11.9% compared to the nine months of 2020, indicates that Alumina initially failed to follow surging aluminium prices. However, more recently alumina prices have been playing catch up with those of aluminium.

As for the costs, the global demand recovery along with the sharp increase in energy prices have boosted prices of raw material, transportation costs as well as emission prices, contributing to the production cost increase in Alumina and Primary Aluminium. The above cost pressures have significantly affected vulnerable producers, resulting in suppressed margins despite the high LME price environment, which in turn caused production cuts, particularly in Europe.

Similarly to other areas, in Metallurgy BU, MYTILINEOS has taken timely measures to address the various cost parameters, while, on the other hand, has taken advantage of the high aluminium LME prices in order to secure high levels of profitability over the next 2-3 years.

At the same time, MYTILINEOS remains committed to maintain its cost control, aiming to further enhance its competitive position. The productivity enhancement and cost optimization program "Hephaestus" is in full deployment and is expected to be completed by the end of 2021.

Finally, investments are progressing as planned for the 25,000 tonnes per annum Alumina production capacity increase, which will take total Aluminium production capacity to 250,000 tonnes (project NEW ERA 250), 26% of which will come from recycled Aluminium.

2.3. Renewables & Storage Development Business Unit

amounts in m. €	9M 2021	9M 2020	Δ %
Revenues	244.3	209.7	16%
EBITDA	15.0	11.5	31%
Margins (%)			Δ(bps)
EBITDA	6%	5%	68

The nine month financial results, reflect the positive course of the Renewables & Storage Development (RSD) Business Unit, with noticeable improvement of its performance compared with the respective reporting period of 2020. Specifically, the RSD BU recorder **Turnover** of **€244.3 million**, a 16% increase compared to the nine month period of 2020. **EBITDA** stood at **€15.0 million**, up by 31% compared to the €11.5 million of the corresponding period of 2020.

Key drivers for the BU's performance were the contracting and commencement of projects in a number of countries in South America and Europe as well as in Uzbekistan, with regards to third party projects, while for the Build, Operate & Transfer projects (BOT), MYTILINEOS signed agreement for the sale of a 89 MW solar park portofolio in Romania, with contractual value of €67.7 million.

In particular, in third party projects, construction is progressing in countries like Chile, Spain, United Kingdom and Uzbekistan, while during the period MYTILINEOS was awarded a 200MW project for PPCR in Western Greece which is currently under construction. The signed contractual value for third-party EPC projects currently stands at €287 million. Regarding the BOT projects, the Business Unit finalised significant project acquisitions in Latin America and Europe.

The total capacity of mature BOT projects currently stands at ~2GW, out of which:

- 121.5 MW have already been electrified
- 524 MW under construction
- 136 MW licensed and Ready To Build (RTB)
- 308 MW in Ready To Build status by the end of 2021
- 848 MW in Ready To Build status within the first semester of 2022

Additionally, the BOT portfolio, the Business Unit is developing ~4GW of projects, which are currently in the early stages of development.

At the beginning of Q4, the RSD BU has strengthened its presence in the Italian market, by acquiring, via auction, a 52.8 MW capacity project, while securing a 20-year agreement, at a price of 65.17 €/MWh.

2.4. Sustainable Engineering Solutions Business Unit

amounts in m. €	9M 2021	9M 2020	Δ %
Revenues	283.6	73.6	285%
EBITDA	29.6	-12.0	-
Margins (%)			Δ(bps)
EBITDA	10%	-	-

Following H1 results, Sustainable Engineering Solutions (SES) Business Unit remains profitable, confirming its strong restart, after a year that has been heavily impacted by the pandemic as well as with its new strategy focusing towards projects promoting Energy Transition and Sustainability. SES BU's **Turnover** came in at **€283.6 million**, representing 16.7% of total turnover, compared to €73.6 million in the nine-month period of 2020. Respectively, **EBITDA** increased to **€29.6 million** vs. -€12.0 million losses during the same period of 2020.

During the year, SES BU signed an agreement for the construction of two new high voltage substations, as well as the expansion of an existing one, in Georgia. This project follows two already signed similar contracts in Greece and Albania, marking our dynamic penetration in the Transmission & Distribution (T&D) field. At the same time, we continue to utilize our competitive advantage as well as our thermal plants construction know how, bidding for projects in Europe and Sub-Saharan Africa, while proceeding with the execution of the existing contracts.

Furthermore, in the field of environmental solutions, MYTILINEOS identifies significant growth prospects, having gained market's recognition as a Turn-Key contractor for large-scale projects. In this context, we proceed with the implementation of the project "Protos Energy Facility", in Cheshire, UK, which will have the capacity to treat 400,000 tonnes of non-recyclable waste per year, while we are actively engaging in discussions to undertake similar projects.

The signed backlog of the contracted projects amounts to €848 million at the end of the first nine months of 2021, while when accounting for the mature stage of contracting projects, the pipeline reaches c. €1.7 billion.

MYTILINEOS is aiming to benefit from the opportunities arising from the European Recovery Fund and those project that promote Sustainable Development in particular, like solid & liquid waste management projects, hybrid and off-grid energy projects, energy upgrade projects and execution of innovative first-of-kind energy projects.

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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 €1.9 billion and employs directly or indirectly more than 3,850 people in Greece and abroad.

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