



MYTILINEOS S.A.
FLASH NOTE – FINANCIAL RESULTS FIRST HALF 2021
On track to achieve record high profitability

Athens, Greece – 27 July 2021 – MYTILINEOS S.A. (RIC: MYTr.AT, Bloomberg: MYTIL.GA, ADR: MYTHY US) announces the financial results of the first half of 2021.

- **Net Profit** after minority interests stood at **€77 million**, increased by 11% compared to the first half of 2020, while excluding the effects of non-recurring items (one off) the increase in net profits would amount to +51% at €81 million compared to €53 million in the first half of 2020.
- **Turnover** and **EBITDA** reached **€994 million** and **€156 million** respectively, for the first half of 2021, both increased by 7%. Similarly, by adjusting for non-recurring items (one off), the increase of EBITDA would amount to +29% at €161 million compared to €125 million in the first half of 2020.
- **Net Debt stood at €652 million**, with the **Leverage Ratio** (Net Debt / EBITDA) at **2.00**, despite the Company's ongoing investment program, which is in full deployment.

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

“MYTILINEOS 1H 2021 financial results, confirms that the Company is on track to achieve record high profitability in 2021, while implementing in parallel its investment plan, in line with the ambitious environmental goals it has set.

In the forthcoming quarters, despite the uncertainties due to the pandemic, MYTILINEOS' financial performance is expected to be significantly enhanced, as demand, aluminum prices and premiums continue to increase, while electricity prices and consumption are growing in tandem. Meanwhile, the Renewables & Storage Development BU and the Sustainable Engineering Solutions BU are executing the existing contracts without any delays, while the Company also expects to benefit from fruition of significant investments that are gradually getting completed (increase in Aluminum capacity production to 250,000 tn -project new era 250-, commissioning of the new 826MW CCGT plant, significant investments in RES both in Greece and abroad)”.

During the first half of 2021, MYTILINEOS, in a pioneering event for both Greek and international standards, committed to reduce direct and indirect CO₂ emissions by at least 30% by 2030 compared to 2019 and achieve net zero emissions by 2050.

In this context and in view of the major investments currently implemented and others which are scheduled to begin focusing on Energy Transition and Sustainability, MYTILINEOS successfully issued its first “Green” bond, raising €500mn at 2.25% interest rate with maturity in 2026, further improving its outstanding credit profile.

Recently, MYTILINEOS concluded two major agreements that are laying the foundation for strong profitability in the forthcoming years. An agreement with PPC regarding the electricity supply as well as another one with Glencore for the sale of Aluminum and Alumina.

1. KEY FINANCIAL FIGURES

amounts in m. €	1H 2021	1H 2020	Δ %	Q2 2021	Q2 2020	Δ %
Turnover	994	927	7%	470	394	19%
EBITDA	156	145	7%	75	65	16%
EATam	77	69	11%	40	33	19%
EPS*	0.565	0.485	16%	0.292	0.231	26%
Margins (%)			Δ(bps)			Δ(bps)
EBITDA	16%	16%	1	16%	16%	-45
EATam	8%	7%	28	8%	8%	11

*EPS adjusted for treasury shares

Compared to the first half 2020 on a consolidated basis:

Turnover amounted to **€994 million** compared to €927 million in 2020, posting an increase of 7%. **Earnings before interest, taxes, depreciation and amortization** (EBITDA) stood at €156 million, compared to €145 million during the first half of 2020 (excluding the effects of non-recurring items, the increase in EBITDA would amount to +29%, at €161 million compared to €125 million in the first half of 2020), benefiting from the significantly improved performance of the Sustainable Engineering Solutions Business Unit, which returned to profitability after undertaking new contracts, but also from the consistently strong performance of the Metallurgy Business Unit. The aforementioned performance of the Metallurgy and SES BU more than offset the expected lower performance of the Power & Gas BU, due to the scheduled 3-month maintenance of the KORINTHOS POWER plant.

Net Profits after taxes and minority interests shaped at **€77 million** in the first half of 2021, an increase of 11% compared to €69 million in the corresponding period of 2020. Respectively, earnings per share (EPS) in the first half of 2021, increased by 16% compared

to the first half of 2020, while excluding the effects of non-recurring items, the increase in net profits would amount to +51% at €81 million compared to €53 million in the first half of 2020.

In the second quarter of 2021, compared to the second quarter of 2020:

Turnover and **EBITDA** rose by 19% & 16% respectively, while the **net profits** after minority interests came in at **€40 million**, posting **21%** growth, despite Power & Gas BU's weaker performance.

2. BUSINESS UNITS OPERATIONAL UPDATES

2.1. Power & Gas Business Unit

amounts in m. €	1H 2021	1H 2020	Δ %
Revenues	387	444	-13%
EBITDA	48	71	-32%
Margins (%)			Δ(bps)
EBITDA	12%	16%	-355

Greek Market Data – 1H 2021

Production per Unit type [GWh]	1H 2021	1H 2020	Δ%
Lignite	2,773	3,000	-8%
Hydros	2,794	1,343	108%
Natural Gas	9,034	8,163	11%
RES ¹	7,751	6,673	16%
Net Imports	2,188	5,251	-58%
Other	8	1	722%
Total	24,548	24,431	0.5%

¹Renewable Energy Sources

MYTILINEOS Generation (GWhs)	1H 2021	1H 2020	Δ%
Thermal Plants	2,134	2,550	-16%
RES	256	252	2%
Total	2,391	2,802	-15%

During the first half of 2021, the Power & Gas Business Unit recorded **turnover** of **€387 million**, or 39% of the total turnover, compared to €444 million in the respective period of 2020, resulting in a 13% decline.

Domestic electricity consumption in the first half of the year remained almost unchanged as the decrease in the first quarter by 5.4% due to the pandemic, was more than offset in the second quarter of the year by the dynamic recovery of the demand (+7.6%).

The main characteristic of the first half of 2021 was the significant increase of Natural Gas & CO2 prices, which resulted in extremely strong upward cost pressures, affecting electricity production and subsequently the wholesale market (+49.7% for the first half of 2021 and +117% compared to the second quarter of 2020).

MYTILINEOS' thermal plants production decreased to 2.13TWh, from 2.55TWh in 1H 2020, as the Company proceeded with a scheduled 3-month "Major Inspection" of the Korinthos Power plant during the period between March to May. The power plant has been operating since early June, contributing to Greece's energy demand. Company's thermal plants production represents the 8.8% of total demand in the interconnected system and the 23.6% of total natural gas power plants production.

Overall, electricity production of MYTILINEOS' thermal and renewable plants (211MW) amounted to 2.39TWh, which represents a 9.8% share of total domestic demand.

Regarding electricity and natural gas supply, Protergia is steadily enforcing its presence in the retail market as the leading independent supplier, with c.315,000 electricity and natural gas customers, while its share in the electricity market has risen to 8.2% at the end of the first half.

MYTILINEOS, focused on its target to strengthen its presence in the RES market, announced, in mid-February 2021, the acquisition of a portfolio of 20 solar farms (PV) with a total capacity of 1.48 GW along with a portfolio of 25 battery energy storage projects in Greece. This acquisition will facilitate the increase of market share in the retail electricity supply, while the storage projects will allow the optimization of RES operations and energy management. It is noted that 600MW of the above-mentioned portfolio are reaching the Ready To Build (RTB) status, while at the RES bidding in May, the Company secured a Feed-in-Premium for 140MW of Solar PV.

The development of Solar parks (PV) and the Energy Storage projects is implemented by the Renewable & Storage Development Business Unit, extracting significant synergies across the business units.

The construction of the new 826 MW gas-fired combined cycle power plant (CCGT), with General Electric's H-Class technology, is proceeding in accordance with the initial timeline. The commissioning of the power station's trial operation is expected at the end of Q4 2021, and will significantly contribute to the country's transition to a lower carbon footprint energy mix. The project is executed by the company's Sustainable Engineering Solutions Business Unit with important synergies, ensuring reduced investment costs.

Following the launch of the new power plant MYTILINEOS will have ~2.3 GW of total installed capacity from thermal and RES plants, as well as the first position amongst the independent suppliers, establishing its position as the largest private integrated utility. MYTILINEOS has gradually acquired the critical size required for efficient operation in the context of the Target Model, which has been introduced since November 2020, as well as from the full liberalization of domestic electricity and natural gas market and the transition to an energy mix with lower CO2 emissions.

2.2. Metallurgy Business Unit

amounts in m. €	1H 2021	1H 2020	Δ %
Revenues	305	259	18%
EBITDA	77	70	10%
Margins (%)			Δ(bps)
EBITDA	25%	27.0%	-185

Total Production Volumes (ktons)	1H 2021	1H 2020	Δ%
Alumina	427.4	412.5	3.6%
Primary Aluminum	90.2	90.8	-0.6%
Recycled Aluminum	25.3	21.3	18.8%
Total Aluminum Sales	115.5	112.0	3.1%

Aluminum & Alumina Prices (\$/t)	1H 2021	1H 2020	Δ%
3M LME	2,256.3	1,622.3	39.1%
Alumina Price Index	287.9	264.0	9.1%

During the first half of 2021, in the Metallurgy Business Unit both Alumina refinery and Aluminum smelter operated unobstructed at full capacity, increasing production levels, especially those of the recycled aluminum, aiming to meet surging demand, in line with MYTILINEOS ambitious environmental targets.

The Metallurgy Business Unit marked a **€305 million Turnover** in the first half of 2021, which corresponds to 31% of the total turnover, compared to €259 million of the respective period of 2020. The **EBITDA** stood at **€77 million** compared to €70 million of the respective period in 2020.

The increasing Aluminum prices trend, which started in the second half of 2020 and accelerated during the first half of 2021, led the average Aluminum (LME 3M) price at the levels of 2,256 \$/tn, up 39.1% compared to the previous year. The financial stimulus measures currently implemented in world's largest economies lifted demand for aluminum products and combined with metal's low availability, have led the current LME prices at the level of 2,500 \$/tn.

Premium prices are expected to remain well supported at current levels, while additional upside risk stems from the news that Russia is set to impose an export tax on aluminum goods from August 1, at a time European market is suffering from the lack of metal, which is expected to support prices in the coming months.

The Alumina Price Index (API) also moved higher, reaching an average price of c. 288\$/tn, up 9.1% YoY compared to the first half of 2020, failing though to follow surging aluminum price pace. On the other hand, the international economic recovery led to the increase of raw material, energy, transportation costs, as well as CO₂ prices, resulting to higher production costs in the first half of 2021 for both Alumina and primary Aluminum.

The new Metallurgy competitiveness program, named "Hephaestus" is in full deployment. The program is expected to last until the end of 2021, without any major delays in fulfilling its goals. During the first half of 2021, the largest cumulative production of primary and recycled aluminum was recorded, whilst significant part of the investments in Alumina was concluded.

2.3. Renewables & Storage Development Business Unit

amounts in m. €	1H 2021	1H 2020	Δ %
Revenues	117	179	-35%
EBITDA	8	13	-40%
Margins (%)			Δ(bps)
EBITDA	6%	7%	-55

During the first quarter of 2021, the Renewables & Storage Development Business Unit reached a **€117 million turnover**, representing 12.0% of the total turnover, compared to €179 million of the same period in 2020. **EBITDA** stood at **€8 million** compared to €13 million reported during the respective period in 2020.

Regarding the third-party EPC projects, in the first half, a series of projects in South America, Europe and Kazakstan was contracted, with its capacity exceeding 700MW. The majority of these projects are already under construction. Additionally, the construction works in countries like Chile, Spain, Uzbekistan and Greece proceeded without any delays. The signed backlog for third-party EPC projects stands at €367 million at the end of 2021's first half, up 160% compared to the backlog at the end of 2020, while another c. €102 million are in a mature contracting phase.

Regarding Build, Operate & Transfer projects, the Business Unit during the first half of 2021, concluded important project acquisitions of more than 600 MW capacity in Latin America and Europe. Also, the BU managed to conclude with the construction and electrification of its first portfolio of assets in Australia with a total capacity of 118MW.

The total capacity of the BOT portfolio reaches c. 4.3 GW, including projects that are in various stages: from early development stage to “Ready To Build”.

2.4. Sustainable Engineering Solutions Business Unit

amounts in m. €	1H 2021	1H 2020	Δ %
Revenues	185	45	312%
EBITDA	25	-6	-
Margins (%)			Δ(bps)
EBITDA	13%	-	-

First half’s financial results, mark the restart of the Sustainable Engineering Solutions Business Unit after a year that was heavily impacted by the Covid-19 pandemic. **Turnover** reached **€185 million**, compared to €45 million in the respective period of 2020. Respectively, **EBITDA** increased to **€25 million** compared to €-6 million in the first quarter of 2020.

The main factors contributed to the aforementioned performance of the Sustainable Engineering Solutions Business Unit 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 \$398 million, b) 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 and c) 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.

Since the fourth quarter of 2020, the Sustainable Engineering Solutions Business Unit has started to record positive results, starting with the signing of new projects related to sustainability and circular economy. Signed backlog amounted to €898 million at the end of 1H2021, while accounting also for projects that are in a mature stage of contracting, the total pipeline reaches c. €1.65 bn.

The Sustainable Engineering Solutions Business Unit is benefiting from its established international presence, excellent track record and strong partnerships with technology and equipment providers is uniquely placed to pursue new growth opportunities focusing on Energy Transition and Sustainability.

In this context, the European Recovery Fund is expected to offer unique opportunities for the Greek economy and especially for companies with strong credentials and know-how in projects that promote a sustainable development model (eg. solid & liquid waste

management projects, hybrid and off-grid energy projects, energy upgrade projects and execution of innovative first-of-kind energy projects).

Outlook for the rest of 2021

Following the historic decline of economic activity in 2020, due to the consequences of the pandemic, 2021 started with the prospects of strong economic recovery, supported by the monetary and fiscal stimulus in world's leading economies.

The general environment remains uncertain, as many concerns are still in place, both for the vaccination rates progress, as well as for strong inflationary pressures or negative consequences that may stem from new virus mutations.

However,

- the strong aluminum pricing environment, coupled with the competitive production cost,
- domestic's electricity demand recovery,
- the maturity of the new major projects in the Renewable & Storage Development and the Sustainable Engineering Solutions Business Units
- and the gradually completion of significant investments

lay solid foundations for achieving a record high financial performance throughout the year.

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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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