



# Norsk Hydro ASA

## ABGSC Nordic Materials Seminar

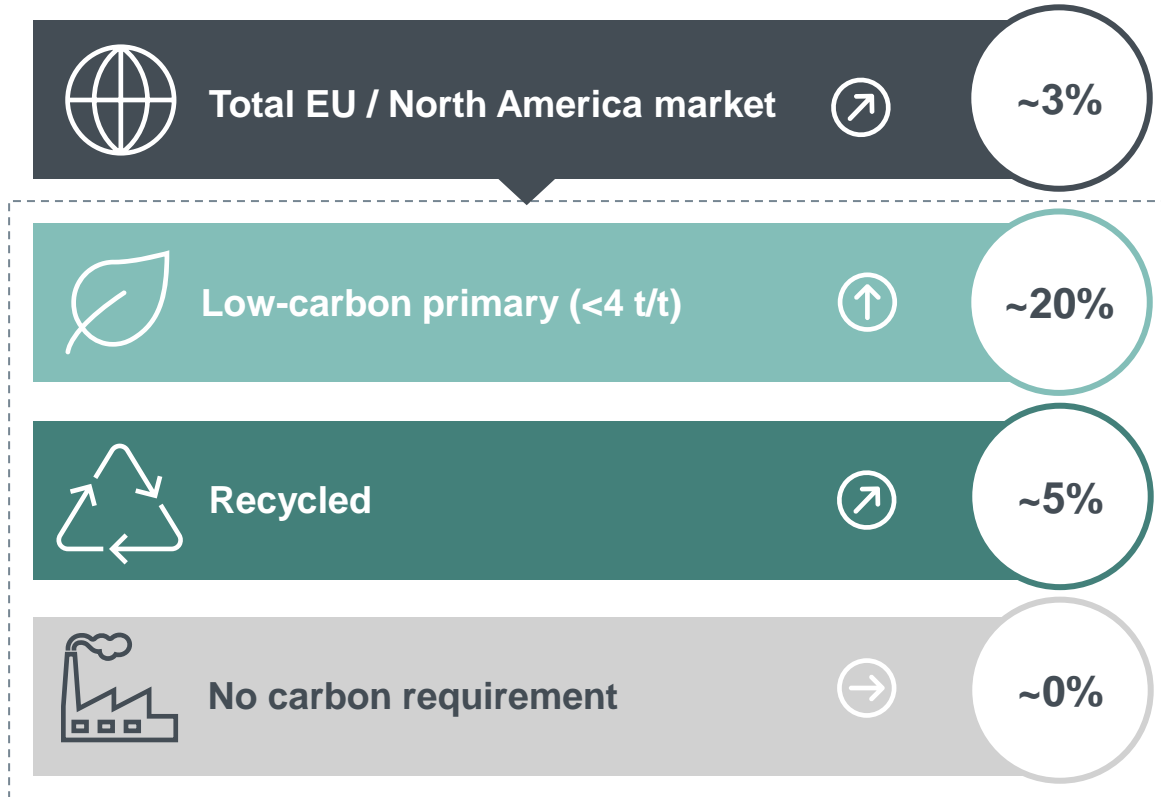
Pål Kildemo, CFO

London June 16, 2023

# The green shift is driving the demand for low-carbon and recycled aluminium

Demand for greener aluminium expected to outpace general demand growth towards 2030

'22 -'30 CAGR



## Customers increasingly demanding greener aluminium

Examples: Scope 3 reduction targets and aluminium commitments

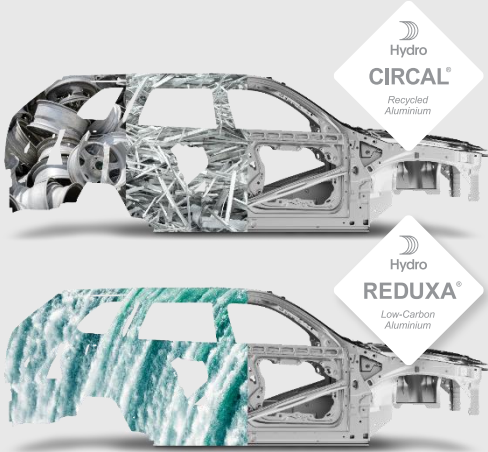
	CO2e neutral balance sheet
	CO2e neutral (2039)
	25% per vehicle (2025) / 10% primary <3 t/t
	22% per vehicle
	30% per vehicle
	50% for abs. emissions / Max 2 kg carbon/kg
	30% for abs. emissions
	20% for abs. emissions
	10% primary <3 t/t
	10% primary <3 t/t
	45% per MWh generated
	52% per MW constructed
	CO2e neutral value chain / 10% primary <3 t/t

# Hydro has a unique position in this new reality



Robust and resilient whilst balancing geopolitical uncertainty and greener demand

Already in the market with leading low-carbon offerings



Long-term renewable power coverage

Good for cost-position and for low-carbon footprint

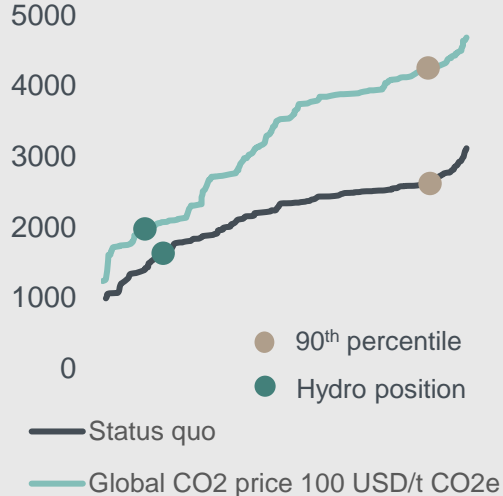


Hydro's global share of renewable energy sourcing in primary aluminium

70%

Strong primary aluminium and alumina cost-position

Aluminium Metal Smelter Business Operating Cost curve (2022)



Rapidly increasing recycling capacity

Digging deeper in the scrap pile



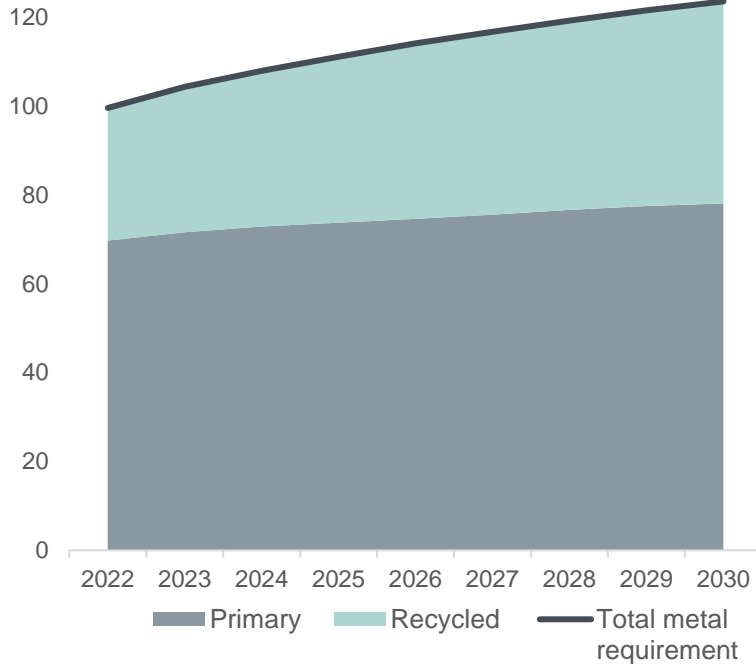
Doubling PCS-recycling from 2020 to 2025 (1,000 tonnes)

280

520-670

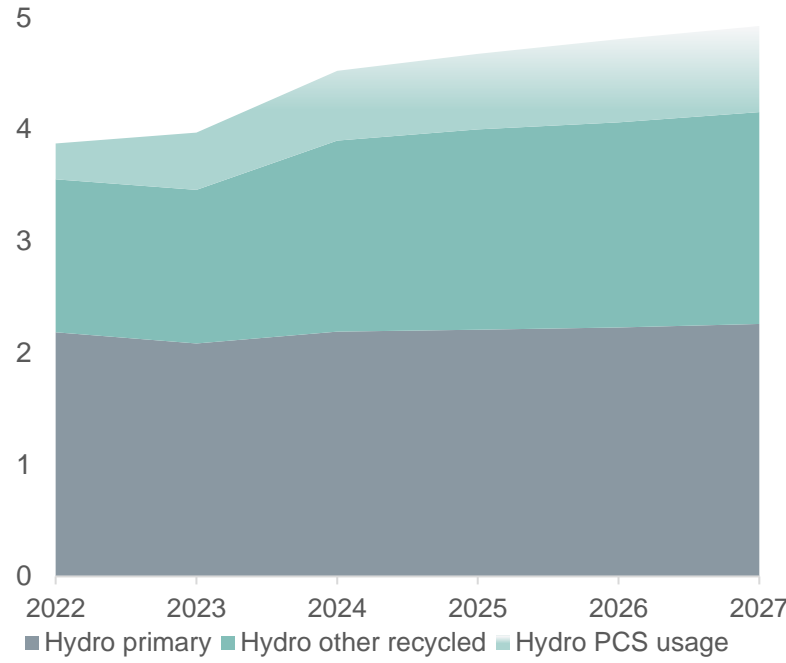
# Ambitious recycling strategy delivering on future consumption growth

Global aluminium consumption  
In million tonnes



CAGR 2022-30: Primary 1.4%, Recycled 5.4%, Total metal requirement 2.7%

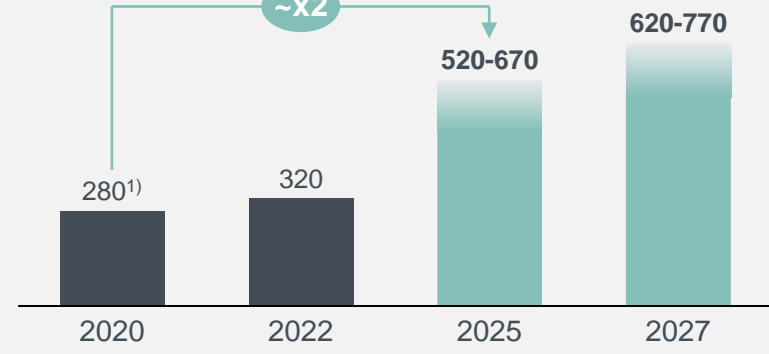
Hydro aluminium production  
In million tonnes<sup>1)</sup>



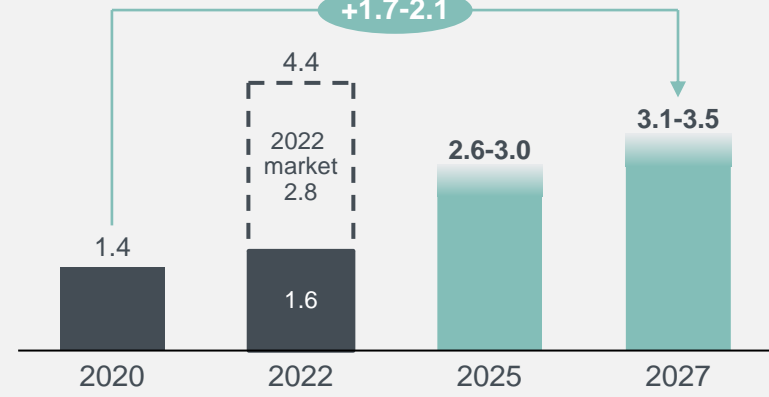
Ambition to add ~1 million tonnes recycled capacity until 2027, whereof 40-50% from PCS

## Recycling 2025 and 2027 targets All approved project pipeline

PCS usage and ambition  
In thousand tonnes



EBITDA  
In NOK billions



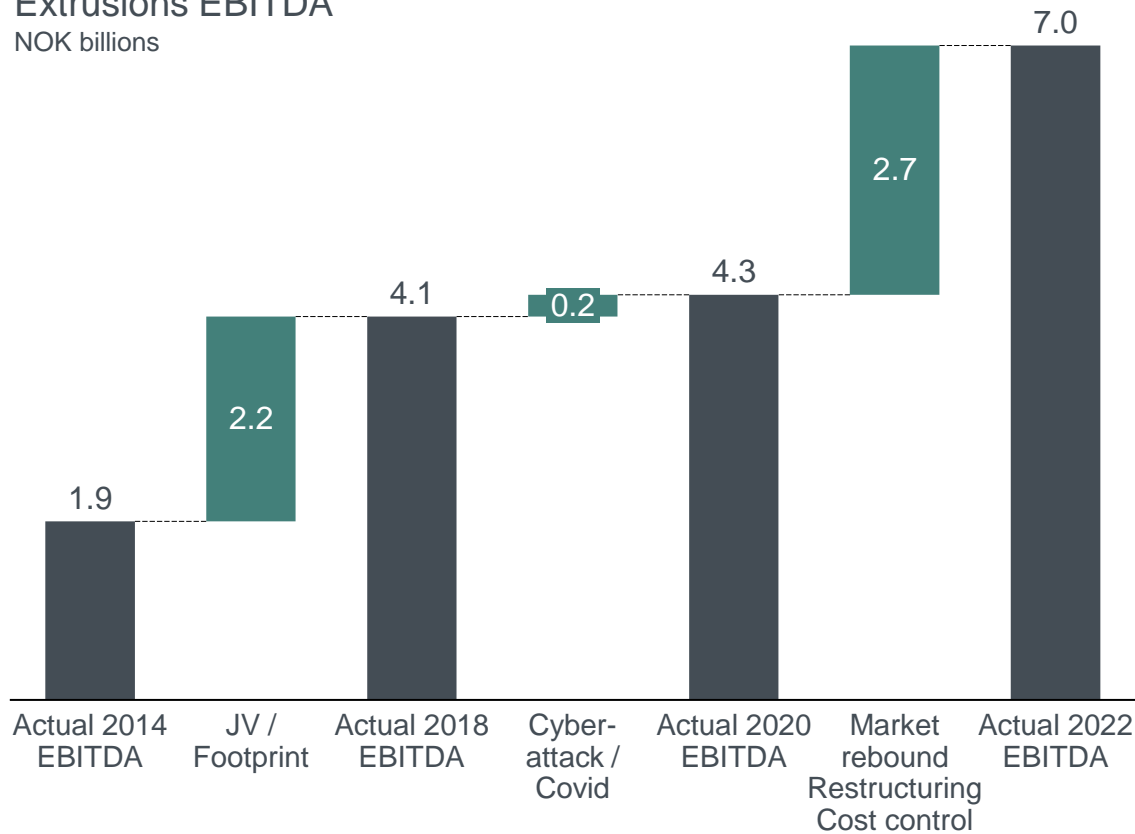
Source: CRU, Hydro analysis  
1) Including Alumetal and PCS 770 000 tonnes in 2027, i.e. high-range of PCS ambition

# Delivering robust Extrusions margins in weaker markets, and on track for NOK 8 billion AEBITDA target



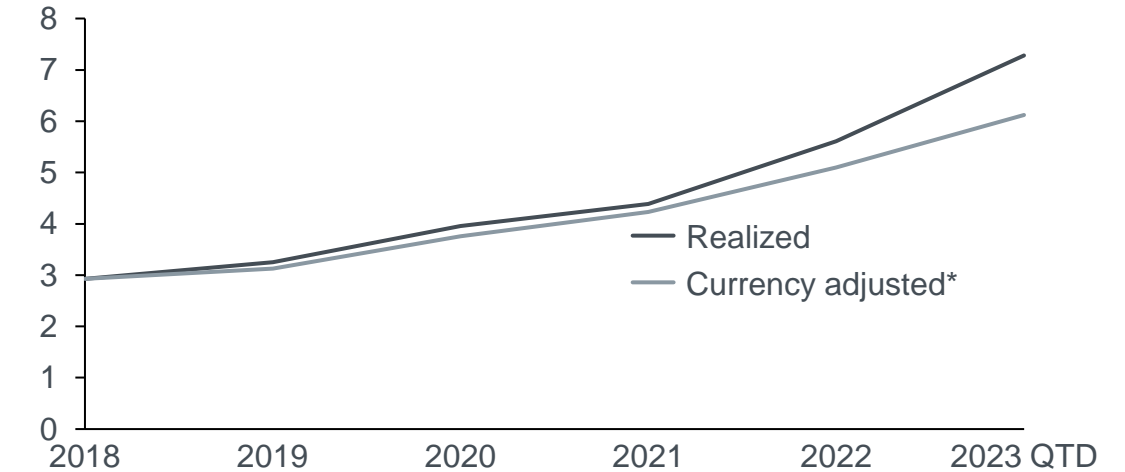
Portfolio optimization, pricing, productivity and recycling driving margins

Extrusions EBITDA  
NOK billions



1,399	Volumes sold (million tonnes)	1,250
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AEBITIDA margin  
NOK per kg



*Several initiatives for further improvement:*

- **Efficiency and cost saving programs** including procurement, automation and technology development
- **Commercial activities** leveraging position to grow in selected segments and improve product mix through value added activities and customer partnerships
- Realization of **sustainability agenda**, including Circal and Eco design

\*FX currency based on 2018

# We have a roadmap to net-zero aluminium products



The technology roadmap aims for industrial pilot volumes by 2030

## Energy transition in Brazil



Transitioning from heavy fuel oil to natural gas, and from coal-fired to electric boilers at the Alunorte alumina refinery

Bauxite & Alumina

## Carbon Capture and Storage



Decarbonizing existing primary assets

Aluminium Metal

## HalZero



Next generation primary technology offering a fully decarbonized electrolysis process

Aluminium Metal

## Recycling



Technologies for increasing use of post-consumer-scrap and decarbonizing foundries

Aluminium Metal and Extrusions

# Preferred partner on the path to zero

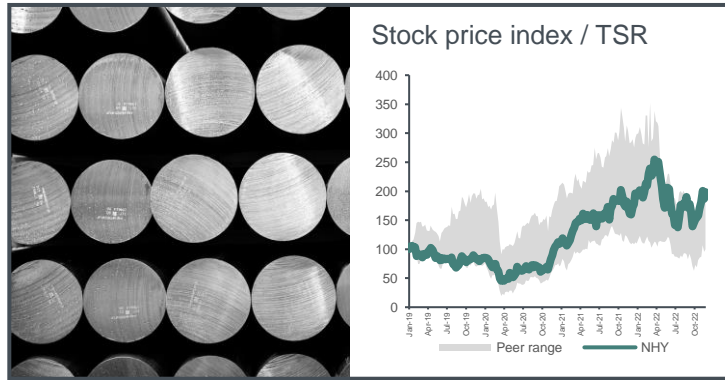
- Hydro is **shaping** the market for low- and zero-emission aluminium through strategic partnerships
- Our integrated value chain and credibility through transparency is a competitive advantage
- Concrete partnerships have been made with Mercedes-Benz, Polestar and Porsche



# Why invest in Hydro?



## Good track record on relative shareholder value creation



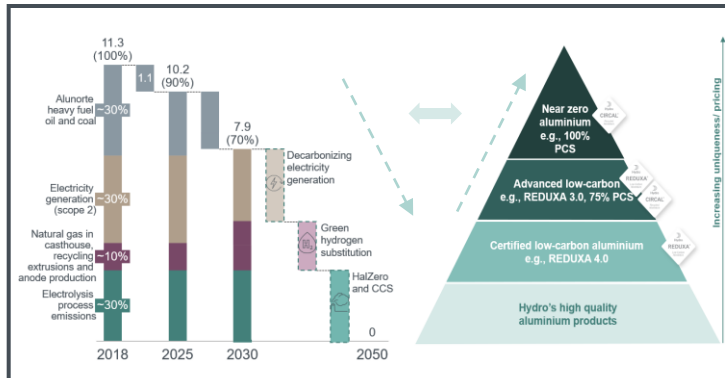
## Low and robust cost position with ambition to improve

- 1st** quartile cost position AM
- Low** carbon footprint
- Long-term** renewable power contracts
- Increased** improvement ambitions

## Well positioned to supply positive demand outlook for greener aluminium



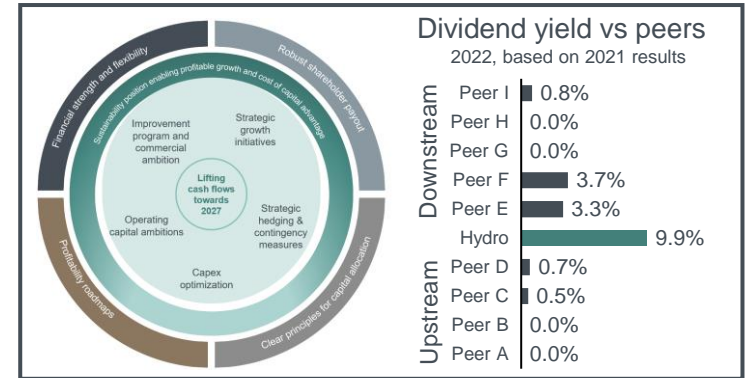
## Pathway to net-zero aluminium products



## Portfolio of profitable growth projects



## Solid financial framework and competitive shareholder distribution







**Hydro**

*Industries that matter*