



**MYTILINEOS**

## **MYTILINEOS S.A. FIRST HALF 2020 FINANCIAL RESULTS**

- Turnover and EBITDA stood at €927 mn. and €145 mn. respectively for 1H 2020, posting a slight decrease compared to the respective period of 2019, unlike to the majority of metallurgy and energy companies globally, which had to face a sudden and severe drop in metal and oil / natural gas prices.
- Net profits after minority interests stood at €69 mn., keeping the Earnings Per Share (EPS) at a high level (close to 1) on an annualized basis.
- Total liquidity exceeds €1.3 bn. with the Leverage Ratio (Net Debt / EBITDA) remaining significantly below 2x (1.69), despite the Company's ongoing investment program, which is in full deployment.

**Athens, Greece - September 9, 2020** – MYTILINEOS SA (RIC: MYTr.AT, Bloomberg: MYTIL.GA) announces the financial results of the first half of 2020. At 17:15 pm (GR time), a conference call will take place, where MYTILINEOS Management will present the results. Information about the teleconference can be found on the Company's website: [www.mytilineos.gr](http://www.mytilineos.gr).

Commenting on the Financial Results, the Chairman and CEO, Evangelos Mytilineos said:

*"The unprecedented conditions brought about by the Covid-19 have had a serious impact on economic activity, creating an unstable environment globally, affecting almost every sector of the economy. In this context of uncertainty, MYTILINEOS, underpinned by its structural strategic advantages, manages not only to effectively mitigate the shock and turbulence caused by this unexpected crisis, but also to lay the foundations for further growth and better performance in the future. These structural advantages are a result of the synergies between the Company's Business Units, the continuous and successful effort to monitor and reduce costs, the significant available liquidity and the prompt actions in order to cope with the pandemic and its effect.*

*We strongly believe that the country, having managed to effectively handle the first pandemic wave, will broadly rise to the challenges and will also overcome this predicament. MYTILINEOS is firmly working to this direction, continuing on its investment plan, focusing on digital transformation, climate neutrality and the revival of the Greek industry, which constitute the pillars of the national effort for economic recovery.*

*We are confident that by working all together we will succeed".*

The global economy has significantly slowed down due to the pandemic and the prolonged uncertainty it has caused. Nevertheless, those economies and enterprises that have taken timely measures to address this public health crisis, while displaying adaptability and

flexibility to the current situation, are able not only to survive, but also to create opportunities for better performance in the future. Such economies and enterprises, when supported also by centralized policies, shall drive economic growth. MYTILINEOS, in a timely and dynamic manner, took very rigorous measures in order to shield its employees and safeguard the uninterrupted operation of all its activities, thus supporting the country's energy safety and the continuous supply of the economy, having a major contribution to Greek exports.

More specifically:

**The Company's financial performance in 1H 2020, compared to the last semester of 2019, certifies its ability to absorb the pressure induced by the ailing economic environment. In particular, the operating results (EBITDA) posted an increase of 5.2%, from €137.9 mn. in 2H 2019 to €145.1 mn. in the 1H 2020, while the net income increased by 9.5%, from €63.3 mn. in the 2H 2019 to €69.3 mn. in the 1H 2020.**

## 1. KEY FINANCIAL FIGURES

amounts in m. €	1H2020	1H2019	Δ %	2H2019	Δ %
Turnover	926.7	990.8	-6.5%	1,265.3	-26.8%
EBITDA	145.1	175.3	-17.2%	137.9	5.2%
EATam	69.3	81.6	-15.1%	63.3	9.5%
EPS*	0.928	0.972	-4.5%	1.014	-8.5%
<b>Margins (%)</b>			<b>Δ(bps)</b>		<b>Δ(bps)</b>
EBITDA	15.7%	17.7%	-203	10.9%	476
EATam	7.5%	8.2%	-76	5.0%	248

Compared to 1H 2019 on a consolidated basis:

**Turnover** stood at **€926.7 mn.** versus €990.8 mn. in the respective period of 2019, posting a decrease of 6.5% mainly attributed to the weak pricing environment in the Metallurgy and Energy Business Units.

Earnings Before Interest, Taxes, Depreciation and Amortization (**EBITDA**) stood at **€ 145.1 mn.** vs. €175.3 mn. in the respective period of 2019. The **net profit** after tax and minority interest stood at **€69.3 mn.** vs. €81.6 mn. during the same period of 2019.

**Net debt** was reduced in comparison to 1Q 2020 to **€477 mn.**, while net debt to EBITDA ratio was kept way below 2x (1.69). Moreover, cash position was preserved at high levels (€606 mn.), despite the €300 mn. bond early repayment of in June 2020 (originally set to expire in June 2022). The Company has thus improved, even more, its already excellent credit profile, with no major maturities until the end of 2024.

Overall, during 1H 2020, the Company fully capitalized on its comparative advantages and the synergies between the Business Units, intensified the cost optimization actions aiming at a total recurring benefit of €70 mn., and having as a key driver the Electric Power & Natural Gas Trading Business Unit, has managed to respond effectively to the pandemic. The 1H 2020 financial performance lays the foundations for 2020 to become a base for strong growth in the coming years.

## 2. BUSINESS UNITS OPERATIONAL UPDATE

### 2.1. Power & Gas Business Unit

amounts in m. €	1H2020	1H2019	Δ %	2H2019	Δ %
Revenues	443.9	460.6	-3.6%	535.5	-17.1%
EBITDA	71.0	50.3	41.3%	50.7	40.2%
<b>Margins (%)</b>			<b>Δ(bps)</b>		<b>Δ(bps)</b>
EBITDA	16.0%	10.9%	509	9.5%	654

#### Greek electricity market data – 1H 2020

Production per Unit type [GWh]	1H 2020	1H 2019	Δ%
Lignites	3,000	5,743	-47.76%
Hydroelectric	1,343	1,641	-18.19%
Natural Gas	8,163	8,017	1.82%
RES <sup>1</sup>	6,673	5,628	18.57%
Gross Imports	5,251	4,901	7.14%
<b>Total</b>	<b>24,430</b>	<b>25,930</b>	<b>-5.79%</b>

SMP <sup>2</sup>	1H 2020	1H 2019	Δ%
January	58.38	75.28	-22.45%
February	43.23	69.01	-37.35%
March	43.65	59.87	-27.09%
April	28.51	62.40	-54.31%
May	34.27	65.91	-48.01%
June	34.04	68.14	-50.04%
<b>Average</b>	<b>41.34</b>	<b>66.75</b>	<b>-38.07%</b>

1. Renewable Energy Sources
2. System Marginal Price

<b>MYTILINEOS Production (GWhs)</b>	<b>1H 2020</b>	<b>1H 2019</b>	<b>Δ%</b>
Thermal Plants	1,964	2,042	-3.84%
RES	252	203	24.29%
<b>Total</b>	<b>2,216</b>	<b>2,245</b>	<b>-1.29%</b>

During 1H 2020, the Power & Gas Business Unit, benefiting from the competitive portfolio of MYTILINEOS Natural Gas, earned a considerable market share while posting a significant profitability increase. In particular, **turnover** stood at **€443.9 mn.** corresponding to 47.9% of the total turnover, vs. €460.6 mn. in the respective period of 2019. The Earnings Before Interest, Taxes, Depreciation and Amortization (**EBITDA**) in the 1H 2020 stood at **€71.0 mn.**, from €50.3 mn. during the same period of the previous year, an increase of 41.3%.

Said performance is mainly attributed to the increased clean spark spread (+36.5% compared to the respective period in 2019) of the thermal power plants, despite the very low System Marginal Price in the wholesale market; while it also benefited by the strong contribution of the Electricity Supply activity.

The transition towards a new electricity generation mix, in which Natural Gas is the main fuel, strengthened in 1H as the lignite-fired electricity generation decreased by 47.8%. RES contribution was also significantly bolstered and for the first time rose to 27% of the total power production.

In 1H 2020, the overall power consumption in the country, in comparison to the respective period of 2019, dropped by 5.8% to 24.4TWh, as a result of the pandemic-driven lockdown measures that had a major impact mostly during the 2nd Quarter of 2020.

However, despite the reduced electricity consumption, the total power generation of MYTILINEOS thermal and renewable energy plants remained overall stable at 2.2TWh. Including also the Combined Heat and Power Plant (CHP) operation of the Metallurgy Business Unit, MYTILINEOS total electric power generation represented a 11.5% of the electricity demand in the interconnected system during the 1st half of 2020.

With regards to the electric power and natural gas supply, Protergia increased its market share to 7.7% in June 2020, steadily strengthening its position with a customer basis exceeding currently 250,000 customers. This activity posted a high operating profitability as the Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) in the 1H 2020 stood at €19.4 mn. from 10.2 mn. of the same period of 2019.

Finally, the construction of the new 826 MW H-Class, high efficiency plant is advancing according to schedule and is expected to be commissioned during 4Q 2021.

## 2.2. Metallurgy Business Unit

amounts in m. €	1H2020	1H2019	Δ %	2H2019	Δ %
Revenues	241.5	294.9	-18.1%	299.9	-19.5%
EBITDA	64.3	91.6	-29.8%	70.2	-8.4%
<b>Margins (%)</b>			<b>Δ(bps)</b>		<b>Δ(bps)</b>
EBITDA	26.6%	31.0%	-442	23.4%	322

### Aluminium & Alumina prices

	6M 20	6M 19	Δ%
3M LME	\$1,620	\$1,850	-12.5%
Alumina Price Index (API)	\$265	\$373	-29.0%

In the 1H 2020, the Metallurgy Business Unit posted a **turnover at €241.5 mn.**, corresponding to 26.0% of the total turnover, vs. €294.9 mn. in the same period of 2019.

The Alumina and Aluminium plants operated in full capacity without any customer and supply chain issues related to the Covid-19 pandemic. **EBITDA** in 1H 2020 stood at **€64.3 mn.** vs. €91.6 mn., of the respective period of the previous year.

The aforementioned performance was quite satisfactory, taking into account the negative impact of the pandemic on the prices of metals. In specific, the average price of Alumina (API index) declined by c. 30.0% to \$265 per ton, compared to the respective period of 2019, whereas the average LME Aluminium price was reduced by 12.5% to \$1,620 per ton. Finally, the premia for Aluminium end products decreased by more than 30%.

Despite the weak pricing environment, the Metallurgy Business Unit displayed strong resilience, benefiting from the continued initiatives for cost optimization, resulting to a production cost decrease of approximately 25% in Alumina and about 20% in the primary Aluminium compared to the same period in 2019. At the same time, the production of secondary Aluminium, which consumes a lower amount of energy with limited environmental impact, is being reinforced.

The US dollar strengthened slightly by c. 2.5% against the Euro, with the exchange rate reaching 1.10 for 1H 2020 from 1.13 in the corresponding period of 2019. Reduced prices for raw materials, such as carbon, pitch and anodes had also had a positive impact.

'Hephaestus' cost competitiveness and productivity program is in full deployment, scheduled to be completed by the end of 2021, with a total target of €62 mn., out of which €35 mn. refers to recurring EBITDA improvement and the rest to one-off benefit.

### 2.3. Renewables & Energy Storage Development Business Unit

amounts in m. €	1H2020	1H2019	Δ %	2H2019	Δ %
Revenues	179.1	72.4	147.4%	315.8	-43.3%
EBITDA	12.5	2.7	356.7%	26.3	-52.4%
<b>Margins (%)</b>			<b>Δ(bps)</b>		<b>Δ(bps)</b>
EBITDA	7.0%	3.8%	320	8.3%	-134

In the 1H 2020, the new Renewables & Energy Storage Development Business Unit (RSD) posted a **turnover** of **€179.1 mn.**, corresponding to 19.3% of the total turnover, vs. €72.4 mn. of the respective period of 2019. The **EBITDA** in the 1H 2020 amounted to **€12.5 mn.** vs. €2.7 mn. In the same period of the previous year, as it benefited by the sale of the 47 MW solar parks portfolio in Northern and Central Greece, for a total consideration of €45.8 mn. This transaction is the first out of a total pipeline of 600MW in Solar projects to be developed, constructed and disposed within the next 18-24 months.

The total agreed and contacted amount of projects of the RSD Business Unit stands at €110 mn., with projects currently underway in countries such as Spain, United Kingdom, Chile and Kazakhstan, while an additional €243 mn. of projects value being very close to be finalized.

The RSD Business Unit is well placed to capitalize from the international trend of increasing installed capacity of PVs, as it offers reliable solutions and services across the Solar projects lifecycle. Moreover, the solar development platform (BOT) offers enhanced profitability margins, leading to higher returns on the total invested capital (ROIC).

### 2.4. Sustainable Engineering Solutions Business Unit

amounts in m. €	1H2020	1H2019	Δ %	2H2019	Δ %
Revenues	62.4	163.3	-61.8%	114.3	-45.4%
EBITDA	-2.1	32.3	-106.6%	-10.1	-79.1%
<b>Margins (%)</b>			<b>Δ(bps)</b>		<b>Δ(bps)</b>
EBITDA	-3.4%	19.8%	-2317	-8.9%	547

The year 2020 is a year of transition, as the former EPC & Infra Business Unit is being transformed, focusing on Energy Transition and Sustainable Development. The New Business Unit of Sustainable Engineering Solutions (SES), under a new organizational structure, is expanding into sustainable development infrastructures, while continuing to pursue opportunities in the construction of thermal plants and selected construction projects. MYTILINEOS, committed to its innovation strategy and in line with international trends, acknowledges that the industry's future lies to the new generation of sustainable development projects.

In this framework, the Company is geared towards new projects such as:

- solid and liquid waste management,
- hybrid and off-grid energy projects,
- energy upgrade projects,
- execution of innovative first-of-kind energy projects (e.g. hydrogen projects).

In the 1H 2020, the **turnover** stood at **€62.4 mn.**, corresponding to 6.7% of the total turnover, vs. €163.3 mn. in the corresponding period of 2019. The weak performance in 1H 2020 is mainly due to the effects of Covid-19 pandemic that caused delays in the execution of existing projects while also postponing the signing of new ones.

The renewed SES Business Unit is expected to yield positive results soon, probably as early as of 2H 2020, aiming to add new projects in its backlog within 2020 while focusing on the successful execution of existing contracts, but also targeting to undertake new projects supported by the European Recovery Fund.

### **Rest of the year outlook**

Economic activity, both in Greece and internationally, is expected to slow down significantly in 2020, due to the effects of the pandemic, with estimates bearing a high degree of uncertainty. On the other hand, significant fiscal support packages in the USA and the EU aim to offset the effects and support economic recovery.

For the rest of the year, despite the current fluid environment, the strong recovery of Aluminium prices almost back to the levels prior to the pandemic outbreak, the gradual improvement of domestic electricity consumption and the acceleration of the execution of EPC projects in the Business Units of RSD & SES support optimism for an outstanding performance amidst the current recessionary phase of the global economy.

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**MYTILINEOS S.A.**

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 €2.3 billion and employs directly or indirectly more than 3,600 people in Greece and abroad.

For more details, please visit [www.mytilineos.gr](http://www.mytilineos.gr) | [Facebook](#) | [Twitter](#) | [YouTube](#) | [LinkedIn](#)





"MYTILINEOS given its structural, strategic advantages, manages not only to effectively absorb the shocks of this unprecedented crisis, but also to create the appropriate conditions for future growth and better performance."  
Evangelos Mytilineos

### KEY FINANCIAL FIGURES

5.2% increase in EBITDA

€137.9 mn.



€145.1 mn.



9.5% increase in net profit

€63.3 mn.



€69.3 mn.



### Power & Gas Business Unit

€71.0 mn. EBITDA



> 250,000 customers  
protergia

### Metallurgy Business Unit

€64.3 mn. EBITDA

Ongoing cost optimization initiatives

25% decrease in alumina production costs\*

20% decrease in primary aluminum costs\*

\*Compared to the respective period in 2019

### Renewables & Storage Development Business Unit

356.7% increase in EBITDA

€2.7 mn.



€12.5 mn.



Increase in the installed capacity of photovoltaic projects

Reliable solutions across the Solar projects lifecycle

### New Sustainable Engineering Solutions (SES) Business Unit

€62.4 mn. Turnover

New organizational structure which extends into new sustainable development infrastructures

Maintaining its position in construction