



MYTILINEOS

**MYTILINEOS S.A.
REPORTS 2018 FULL-YEAR FINANCIAL RESULTS**

- ***Adjusted Net Profit after Tax and minorities of €144.2 million vs €145.8 million in 2017.***
- ***Adjusted Earnings per share (EPS) of €1.009 vs. €1.020 in 2017.***
- ***Proposed dividend for fiscal year 2018 stands at €0.36 (gross dividend per share) up from €0.32 for 2017.***
- ***Net Debt dropped by €177.7 million, to €390.4 million from €568.1 million at year end 2017.***
- ***Adjusted Earnings before interest, tax, depreciation and amortisation (EBITDA) stood at €290.0 million vs. €298.9 million in 2017.***
- ***Turnover of €1,526.5 million, virtually flat to the previous year.***

Athens, Greece – 28 March 2019 – MYTILINEOS S.A. (RIC: MYTr.AT, Bloomberg: MYTIL.GA) has announced its full-year financial results for 2018. A conference call will be held at 17:30 hours (Greek time), where Management will present company results and answer questions. Information regarding the conference call is available on the Company's website: www.mytilineos.gr.

Commenting on the 2018 full year results, MYTILINEOS Chairman and CEO Evangelos Mytilineos said:

“This fiscal year marks the first year post our corporate structuring. The Company has repeated its strong performance recording high profitability, strong cash flows and multi-year low leverage ratios under a backdrop of challenging and turbulent markets. As we look towards 2019, the foundations are firmly grounded to support strong growth in each of our three areas of activity.”

Key Consolidated 2018 Full-Year Financial Figures

(mn. €)	2018	2017	Δ %
Turnover	1,526.5	1,526.7	0.0%
EBITDA	283.6	306.0	-7.3%
Adjusted EBITDA*	290.0	298.9	-3.0%
EATam	141.2	154.6	-8.7%
Adjusted EATam	144.2	145.8	-1.1%
EPS	0.988	1.082	-8.7%
Adjusted EPS	1.009	1.020	-1.1%
Margins (%)			Δ(bps)
EBITDA	18.6%	20.0%	-147
Adjusted EBITDA*	19.0%	19.6%	-58
EATam	9.2%	10.1%	-88
Adjusted EATam	9.4%	9.6%	-10

* Financial results for 2017 and 2018 have been adjusted for non-operating and non-recurring items. For 2017, results were positively affected by €24.5 million referring to the compensation awarded by the International Tribunal for the RTB BOR case, which did not concern any of the three main areas of activity. In addition, it included a charge of €17.4 million related to the decision of the General Court of the EU on the appeal of Aluminum of Greece, which concerned the electricity tariffs for the period 2007-2008. On a net basis, 2017 results were impacted positively by €7.1 million and € 8.8 million, for EBITDA and profit after tax and minority interests, respectively.

For 2018, results were negatively affected by €6.4 million at EBITDA and €3.0 million at the level of earnings after tax and minority interest that related to DEPA's claim for charges for a retrospective review of a contract price by the supplier of BOTAS for the years 2012 and 2013. This charge affected both the metallurgy and power segment.

Summary of 2017 Full-Year Financial Results

Turnover came in flat at €1,526.5 million from €1,526.7 million in the previous year. Correspondingly, EBITDA amounted to €283.6 million compared to €306.0 million in 2017. On an adjusted basis Earnings before interest, taxes and depreciation (EBITDA) amounted to €290.0 million compared to €298.9 million in 2017, recording a decrease of 3.0% attributable mainly to the weak performance of the Power & Gas Unit in the first semester of 2018, as well as to some delays in the execution of signed contracts of the EPC & Infrastructure Unit. Net earnings after tax and minority interests amounted to €141.2 million compared to € 154.6 million in 2017. On an adjusted basis, Net earnings after tax and minority interests were down 1.1%.

Overall, in 2018 the Company managed to maintain its financial performance at very high levels, relying primarily on the excellent performance of the Metallurgy Unit, which for a second consecutive year posted record-high operating profitability, despite the highly volatile environment which negatively impacted most aluminium producers globally.

In addition, MYTILINEOS recorded particularly strong cash flows, resulting in net debt decreasing to the lowest level in the last years with a year-end net debt to EBITDA ratio of 1.38 from 1.90 at the end of 2017, while paying out €45.7 million in dividends for 2017.

The proposed dividend for this financial year amounts to €51.4 million, or €0.36 per share, up from €0.32 last year.

Main Activities

Metallurgy

The Unit recorded a turnover of €549.5 million, representing 36.0% of total turnover, compared to €516.9 million in 2017.

Earnings before interest, taxes and depreciation (EBITDA) adjusted for the BOTAS case (+€3.0 million) and the EU General court decision amounted to €169.0 million in 2018 vs €141.4 million in 2017, as the Metallurgy unit benefited from high Alumina prices, up 33% compared to the previous year.

Financial year 2018 was characterized by a series of events that affected alumina supply in the western hemisphere which led to increased volatility in the industry. The uncertainty highlighted the significant competitive advantage of the fully vertically integrated production model coupled with the Company's focus on rigorous cost control. MYTILINEOS, due to its excess alumina production capacity being sold to the market benefitted from the increase in alumina prices resulting in high profit margins, at a time when high alumina prices negatively affected most aluminum producers globally.

For the Alumina sub-segment, Earnings before interest, taxes and depreciation (EBITDA) stood at €83.1 million (+92.8% compared to 2017), with a 47.3% EBITDA margin, while earnings before tax taxes, interest and depreciation (EBITDA) of the Aluminum sub-segment amounted to €82.6 million (-13.1% compared to 2017), with an EBITDA margin of 22.3%.

Within 2018, the Company acquired 97.9% of the shares of EPALME S.A., the market leader in the domestic aluminum scrap market. The annual capacity of the plant is 35,000 tons of aluminum and according to MYTILINEOS' plans, through extensive investments in production and productivity growth, production is expected to reach 50,000 tons in the next two years. The acquisition is pending approval of the Hellenic Competition Commission.

With respect to the new alumina production plant, the technical study is proceeding according to the company's plans.

Power & Gas

The Business Unit recorded a turnover of €608.1 million, which corresponds to 39.8% of the total turnover in 2018, compared to €507.4 million in the previous year.

Earnings before interest, taxes and depreciation (EBITDA) stood at €63.8 million (adjusted by €3.4 million for the BOTAS case) compared to € 74.7 million in 2017, down 14.6% compared to 2017.

The aforementioned performance, apart from the large scheduled maintenance that affected the production of electricity from the Ag. Nikolaos unit, was mainly due to the conditions of low electricity demand, due to milder than expected climatic conditions and the high water reserves that characterized the domestic market in the first six months of 2018.

These conditions normalized later in the year and with a combination of the rapid rise in CO2 prices (+149% in 2018) resulted in the increase of the System Marginal Price (SMP) from €53.5/MWh in January 2018 to levels higher than €70/MWh in December.

The electricity production of the thermal units of the Company amounted 4.9 million MWhrs in 2018, remaining almost unchanged compared to the previous year.

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

- Overall, production from thermal and renewable units amounted to 5.1 million MWhrs, corresponding to 10% of the country's total demand in the interconnected system.
- Regarding RES production, an increase of 14.2% was recorded as the total installed capacity increased to 176 MW (out of which 16 MW are consolidated through the equity method) while another 34.5 MW are under construction and are expected to be completed in 2019. At profitability level, earnings before interest, taxes and depreciation (EBITDA) increased to €18.2m. from €16.1 million with the EBITDA margin at 65%.
- Low SMP rates, particularly in the first half of the year, had a positive effect on the electricity supply activity, which recorded EBITDA of €8.9 million in 2018. Protergia continued to strengthen its position in 2018, steadily increasing its market share in retail to 4.0% from 3.3% at the end of 2017. Today, Protergia has already exceeded the level of 130,000 customers with a further significant increase in market share (4.46% in February 2019).

Regarding the investment for the new combined cycle gas fired unit with a total capacity of more than 665 MW, following the production license approval and the Final Investment Decision (FID) from the Executive Committee, the Company is proceeding to the next licensing stages and studies in order to move into its construction. The plant is expected to play a key role in power supply amid an environment characterized by increasing demand for electricity, reduced availability of lignite production and high CO2 costs.

EPC & Infrastructure

The Business Unit recorded a turnover of €367.3 in 2018, corresponding to 24.1% of total turnover, compared to €501.4 million in 2017.

Earnings before interest, taxes and depreciation (EBITDA) amounted to €54.9 million against €88.8 million in 2017.

The reduced performance of the business unit in 2018 was mainly due to the delays in the launching of the signed contracts for gas-fired power plant projects in Africa. These are expected to boost the Business Unit's performance for 2019.

The construction activity of solar PV plants through the subsidiary company METKA EGN had a significant contribution, recording a turnover of €85.2 million and earnings before tax, interest and depreciation (EBITDA) of €4.5 million.

At the end of 2018, the backlog of projects stood at €983.9 million, of which €265.7 relate to PV projects. A further increased contribution from METKA EGN is expected in 2019, as it launches major new projects, including the €200 million contract with Talasol Solar, a large-scale solar power plant with an installed capacity of 300 MW in the municipality of Talaván, Cáceres, Spain.

Outlook for the Company's Business Units

The outlook for 2019 is positive, based on the outcome of the below factors that are expected to affect the Company's financial performance, leading to a positive outlook for MYTILINEOS:

- The continuous and successful hedging policy coupled with the strict control of production costs and the completion of the acquisition of EPALME in the Metallurgy Unit.
- The geographical expansion of the EPC & Infrastructure Unit through increased the construction of photovoltaic units.
- The further development of RES production and the increasing utilization rates of company's gas-fired power plants within a high CO₂ environment & increasing electricity consumption.
- The ability of the Company to negotiate competitive gas prices through its' expertise in creating a fully diversified gas supply basket and its' ability to import liquified natural gas (LNG) to meet the market's high demand.
- Additional growth in the retail market of Power & Gas.
- The reduction in net debt and financial costs.

The abovementioned prospects set the ground for MYTILINEOS to record new historical highs in its 2019 financial results.

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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 in excess of €1.5 billion and employs directly or indirectly more than 2,900 people in Greece and abroad. For more details, please visit the Company's website: www.mytilneos.gr

Please find below the infographic with the main figures of the results:

TURNOVER **€1,526.5 m.**



Dividend Increase

€0.36 from €0.32



Adjusted Net Profit

€144.2 m.



Net Debt drops by €390.4 m. from €568.1 m.



"The Company has repeated its strong performance recording high profitability, strong cash flows and multi-year low leverage ratios under a backdrop of challenging and turbulent markets. As we look towards 2019, the foundations are firmly grounded to support strong growth in each of our three areas of activity."

Evangelos Mytilineos - Chairman & CEO

METALLURGY BUSINESS UNIT

Alumina Drives Record Profitability

EP.AL.ME. Acquisition



36%

Of Overall Turnover

92.8%

EBITDA increase in Alumina

Total €83.1 m.

47.3%

Consolidated EBITDA margin for Alumina

POWER & GAS BUSINESS UNIT

Strong contribution from Renewable Energy Sources



40%

Of Overall Turnover

5.1

m. MWhrs

MWhrs production from thermal & renewable units

corresponding to **10%** of the country's total demand

14.2%

RES production

with total installed capacity increasing to **176 MW**

In the Electricity Retail Market, Protergia increased market share reaching **4.46%**, surpassing **130,000** supplies.

EPC BUSINESS UNIT

Strong presence worldwide through METKA EGN



24%

Of Overall Turnover

€983.9

m.

Backlog of projects

Including **€265.7** m. of PV Projects

€54.9

m.

Consolidated EBITDA