



## **Announcement**

### **Mytilineos Hosts Annual Briefing of Institutional Investors & Analysts**

**Athens, Greece – 6 December 2019** – At its annual briefing for market participants in Athens, on December 3<sup>rd</sup>, MYTILINEOS Chairman and CEO Evangelos Mytilineos addressed analysts and investors, joined by Yannis Kalafatas (CFO), Christos Gavalas (GM, Treasury) and Dimitris Papadopoulos (GM, IR & Corporate Governance, Executive Board Member). During its presentation, the Company highlighted several significant recent achievements, discussed its corporate strategy and provided detail on the progress of strategic initiatives for each of its business units.

The recent successful debut bond issuance of €500m priced at a 2.5% coupon in the international debt markets supports the company's strategic plan to drive further growth and reflects its success as a global industrial company. Among the key credit strengths that led to the successful offering were MYTILINEOS' diverse international business profile, its demonstrated resilience throughout the Greek crisis, its business diversification and its synergies across all business units.

The bond was rated (BB- / BB S&P/Fitch) and is the first Greek debut issuer to enter the international debt markets in over five years. The bond was 3.45x oversubscribed with an orderbook of €1.7bn with substantial international investor participation. The terms of the bond include a coupon which reduces the average cost of debt and a tenor which extends the company's debt maturity profile. The Company will use its proceeds to focus on organic growth and to refinance existing financial obligations.

Management highlighted key focus areas for each business unit as follows:

- Metallurgy:
  - Focus on maintaining its very competitive position in both the aluminium and alumina cost curves to ensure its ongoing global competitiveness despite current market conditions through a new cost optimization program that is currently underway
  - Further embrace sustainable aluminium production via a 25% increase in production capacity to 250kt, all through "green aluminium" with low carbon electricity and aluminium recycling

- The Company had hedged its 2019 aluminium production while in alumina, the Company has benefitted from its low cost position to still generate healthy margins vs most of other competitors in the industry
- The decision of whether to proceed on the alumina expansion project will be announced in 1Q 2020, as initially guided, post the completion of a basic engineering study. Outcome largely depends on two major factors: (1) Commercial negotiations with an expected contractual duration of 10 years or more and (2) confirmation that profitability estimations exceed thresholds under rigorous downside risk scenarios
- Power & Gas:
  - Maintain its market leading positioning in the gas market with a 32% market share, securing low cost power production
  - Building a new 826MW CCGT power plant to further solidify its position as the leading independent power utility in Greece
- Engineering, Procurement and Construction:
  - Key part of strategy is in the solar business, either through construction projects or through the Company's investment portfolio.
  - The sale process of a 47MW portfolio of solar plants in Greece that is currently underway will confirm the profitable nature of this business with expected completion within 1H-2020.

The Company confirmed its focus on ESG, not only through its expansion in recycled aluminium but highlighting how ESG has become a key factor in the Company's ongoing business strategy. Companies need to adjust to a reality where sustainable production will be among the key drivers that will affect demand. In this context, the Company communicated its intention to move toward renewable energy sourced production for its Metallurgy operations by 2030.

With respect to its 2019 financial trends, the Company mentioned that revenues will be well over €2bn for the current full fiscal year. The Management also confirmed its expectation that the dividend for the fiscal year 2019 will be at similar levels to 2018 and will be proposed by the Board and formally announced with the finalization of year end accounts.

Looking forward, 2020 is expected to be a year of further market challenges, specifically in the Metallurgy sector due to the soft pricing environment. Nevertheless, the low cost position in the cost curve in Metallurgy coupled with the current prospects for higher

contribution from both Power & Gas and EPC will largely offset this, resulting in a strong and balanced performance across different activities.

*The relevant presentation is available on MYTILINEOS website:*

[https://www.mytilineos.gr/Uploads/PRESENTATIONS/2019/Greek\\_Institutionals\\_Presentation\\_2019.pdf](https://www.mytilineos.gr/Uploads/PRESENTATIONS/2019/Greek_Institutionals_Presentation_2019.pdf)

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#### **About MYTILINEOS:**

MYTILINEOS S.A. is a leading Greek industrial company active in Metallurgy, Power & Gas and EPC & Infrastructure Projects. 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 and indirectly more than 3,380 people in Greece and abroad.

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