

Century ALUMINUM

1st Quarter Earnings Call

May 3, 2018

Cautionary Statement

This press release and statements made by Century Aluminum Company management on the quarterly conference call contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements about future events and are based on our current expectations. These forward-looking statements may be identified by the words "believe," "expect," "hope," "target," "anticipate," "intend," "plan," "seek," "estimate," "potential," "project," "scheduled," "forecast" or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," "might," or "may." Our forward-looking statements include, without limitation, statements with respect to: future global and local financial and economic conditions; our assessment of the aluminum market and aluminum prices (including premiums); our ability to procure alumina, carbon products and other raw materials and our assessment of pricing and costs and other terms relating thereto; the final form of any Section 232 relief, including tariffs or other trade remedies, the extent to which any such remedies are ultimately implemented or changed, including any exemptions, the timing for implementation and duration of any trade remedy and the future impact of any such trade remedy to Century, on aluminum prices, or more generally; the future impact of any new or changed law, regulation or other action affecting our business, including, without limitation, the impact of any trade actions, sanctions or other similar remedies or restrictions implemented by the U.S. or foreign governments; our assessment of power pricing and our ability to successfully obtain and/or implement long-term competitive power arrangements for our operations and projects, including at Mt. Holly; our ability to successfully manage transmission issues and market power price risk and to control or reduce power costs; our plans and expectations with respect to the future operation of our smelters and our other operations, including any plans and expectations to restart curtailed capacity at our Mt. Holly smelter; our intention to bring our Hawesville smelter back to full production and any plans, expectations, costs or assumptions with respect thereto; future investments in new technology or other production improvements; our ability to hire and retain qualified employees for our operations; the future financial and operating performance of Century, its subsidiaries and its projects; future inventory, production, sales, cash costs and capital expenditures; future impairment charges or restructuring costs; our anticipated tax liabilities, benefits or refunds including the realization of U.S. and certain foreign deferred tax asets and liabilities and the impact of recent tax reform in the U.S. and foreign jurisdictions; the anticipated impact of recent accounting pronouncements or changes in accounting principles; our assessment of the ultimate outcome of our outstanding litigation; our plans and expectations with respect to the sale or other disposition of our 40% interest in BHH; our ability to access existing or future financing arrangements and the terms of any such future financing arrangements; future construction, investment and development, including our expansion project at our Grundartangi smelter and our plans and expectations with respect thereto; and our future business objectives, strategies and initiatives, including our competitive position and prospects.

Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from future results expressed, projected or implied by those forward-looking statements. Important factors that could cause actual results and events to differ from those described in such forward-looking statements can be found in the risk factors and forward-looking statements cautionary language contained in our Annual Report on Form 10-K, quarterly reports on Form 10-Q and in other filings made with the Securities and Exchange Commission. Although we have attempted to identify those material factors that could cause actual results or events to differ from those described in such forward-looking statements, there may be other factors that could cause results or events to differ from those anticipated, estimated or intended. Many of these factors are beyond our ability to control or predict. Given these uncertainties, investors are cautioned not to place undue reliance on our forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

In addition, throughout this conference call, we will use non-GAAP financial measures. Reconciliations to the most comparable GAAP financial measures can be found in the Appendix of today's presentation.

Speakers

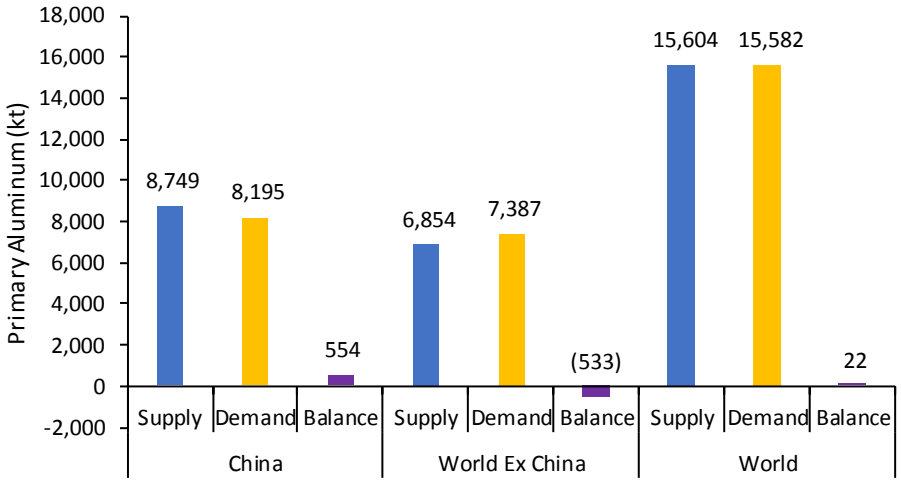
- Mike Bless, President and Chief Executive Officer
- Shelly Harrison, Senior Vice President, Finance and Treasurer
- Peter Trpkovski, Manager, Finance

Overview

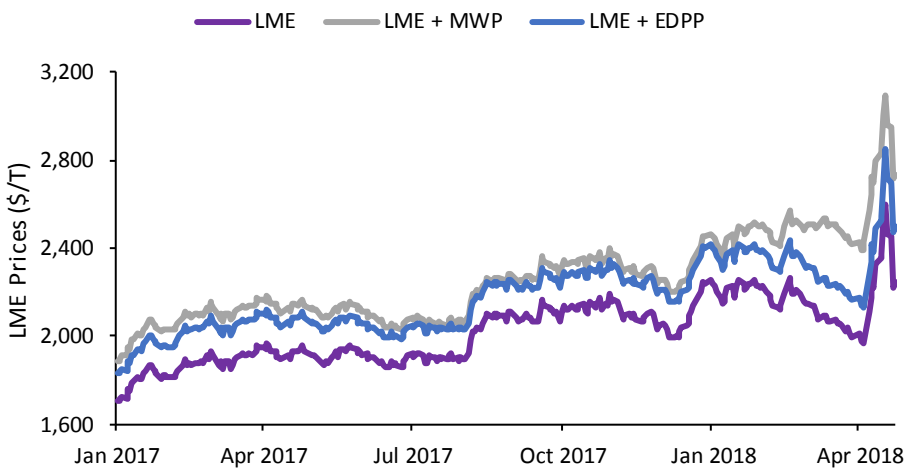
- Operations stable — favorable production metrics
- Financial results driven by commodities price fluctuations
- Section 232 tariffs in place since March
- Hawesville capacity restart on track
- Mt. Holly power negotiations ongoing

Industry Environment

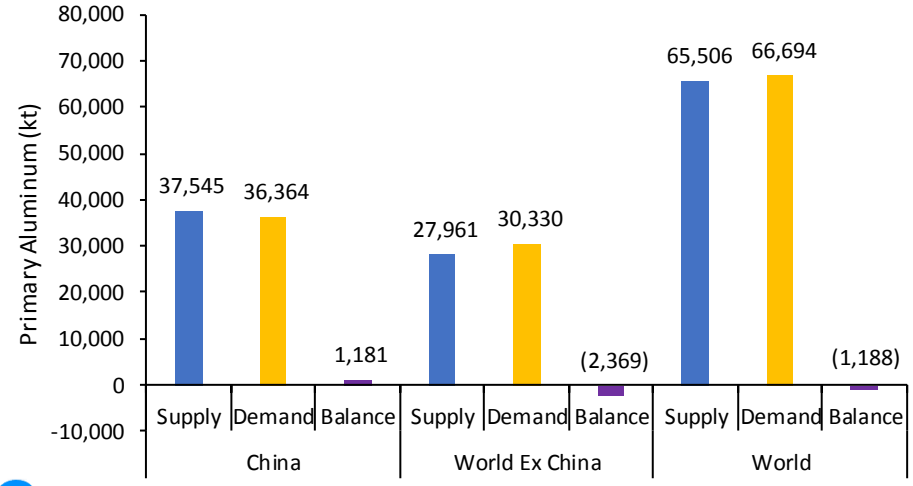
Q1 2018 Supply, Demand, Balance



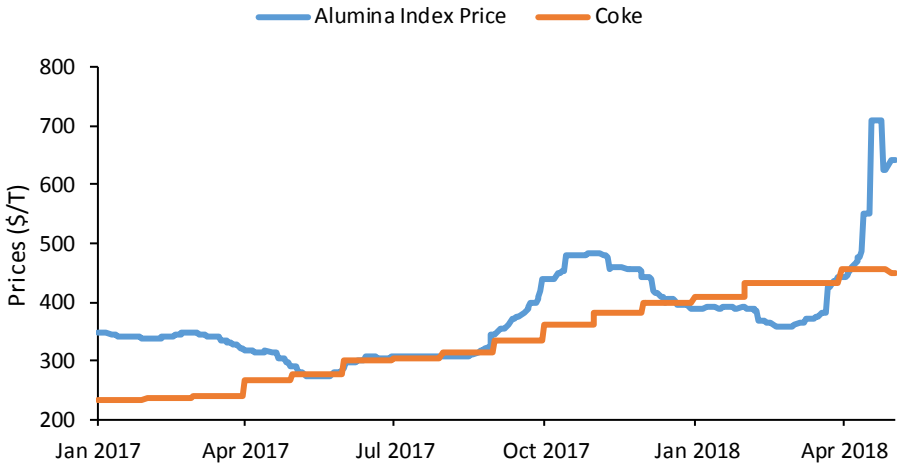
LME, MWP, and EDPP



FY 2018 Supply, Demand, Balance



Alumina Index Price and Coke



Source: CRU Group, Century Aluminum Company

Q1 2018 vs. Q4 2017 Operations

	Hawesville	Sebree	Mt. Holly	Grundartangi
Safety				Flat
Production[(1)]	-3%	0%	0%	0%
KPIs	Flat	Flat	Flat	Flat
Conversion cost[(2)]	0%	1%	4%	4%

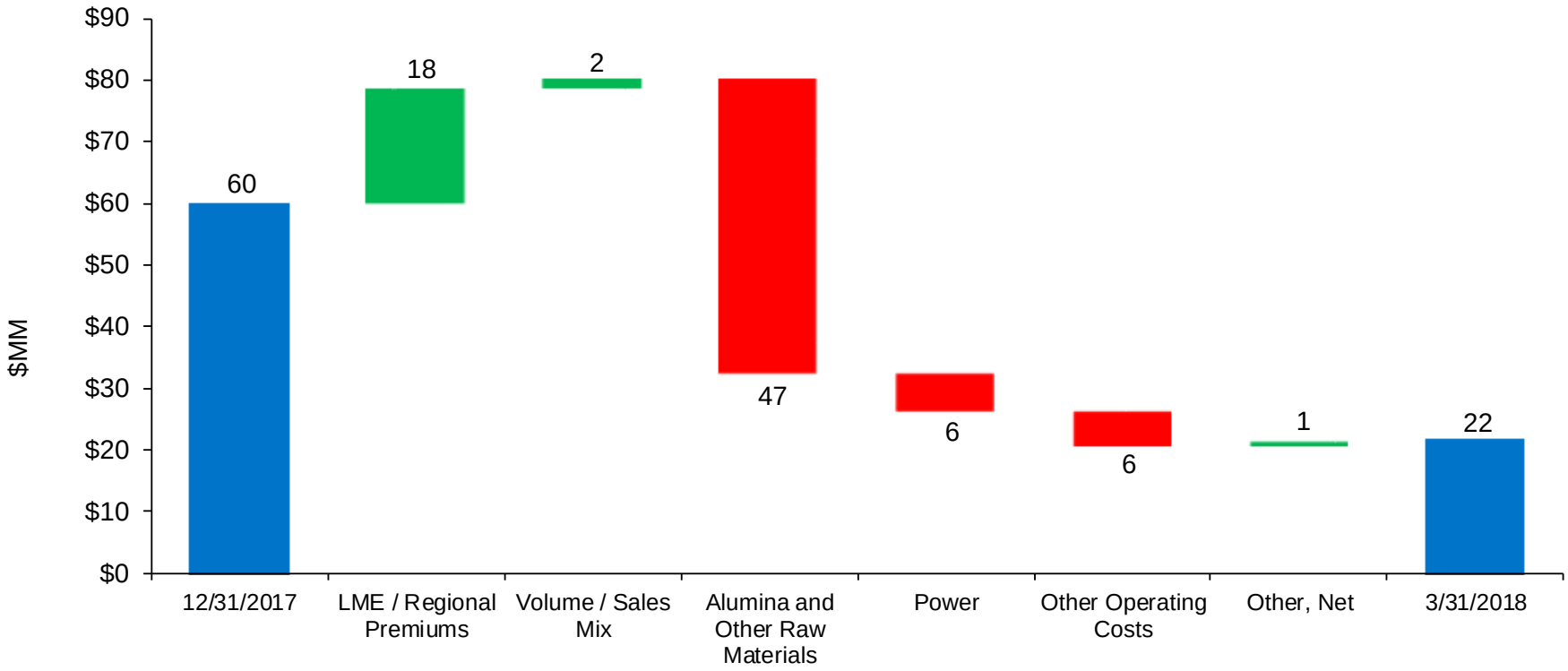
Notes
(1) Production on a tonnes per day basis
(2) Excludes alumina and casting; adjusted for power and carbon

Q1 2018 Summary Results

($MM, except per share and tonne amounts)	Q417	Q118
Income statement		
Shipments (tonnes)	189,000	187,238
Net sales	$ 434	$ 454
Net income/(loss)	36	(0)
Diluted earnings/(loss) per share	0.37	(0.00)
Adjusted net income/(loss)[(1)]	25	(3)
Adjusted earnings/(loss) per share[(1)]	0.26	(0.04)
Adjusted EBITDA[(1)]	60	22
Liquidity		
Cash	$ 167	$ 131
Revolver availability	160	161
Total	$ 327	$ 292
Total debt[(2)]	$ 258	$ 258
Net debt	91	127

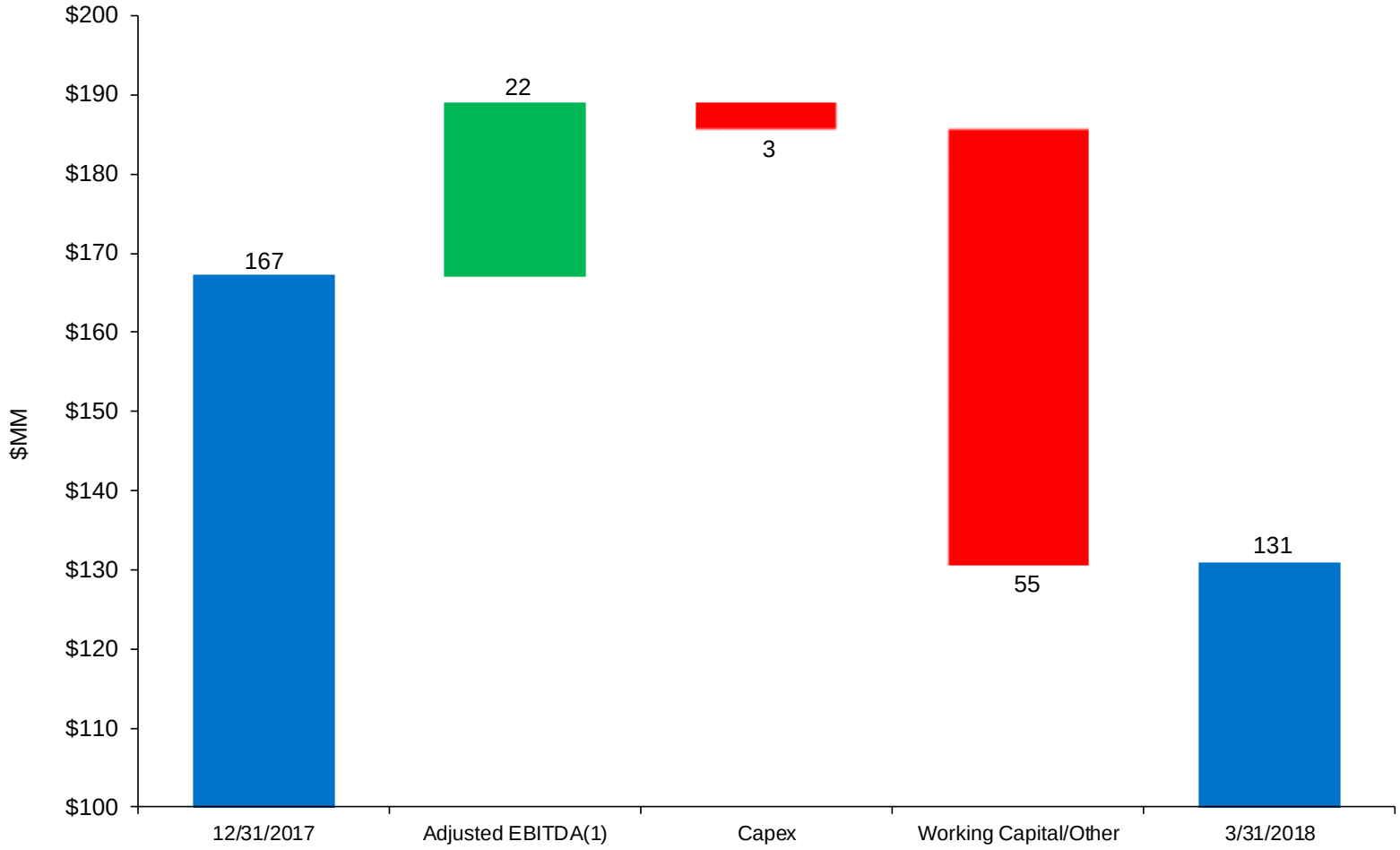
Notes
(1) See reconciliation to comparable GAAP financial measure in appendix
(2) Principal amount

Q1 2018 Adjusted EBITDA(1)



Note
(1) See reconciliation to comparable GAAP financial measure in appendix

Q1 2018 Cash Flow



Note
(1) See reconciliation to comparable GAAP financial measure in appendix

Appendix

Non-GAAP Financial Measures

Adjusted EBITDA, adjusted net income and adjusted earnings per share are non-GAAP financial measures that management uses to evaluate Century's financial performance. These non-GAAP financial measures facilitate comparisons of this period's results with prior periods on a consistent basis by excluding items that management does not believe are indicative of Century's ongoing operating performance and ability to generate cash. Management believes these non-GAAP financial measures enhance an overall understanding of Century's performance and our investors' ability to review Century's business from the same perspective as management.

The following slides provide a reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP. In addition, because not all companies use identical calculations, adjusted EBITDA, adjusted net income and adjusted earnings per share included in the following slides may not be comparable to similarly titled measures of other companies. Investors are encouraged to review the reconciliations in conjunction with the presentation of these non-GAAP financial measures.

Adjusted Net Income Non-GAAP Reconciliation

	Q417		Q118	
	$MM	EPS	$MM	EPS
Net income/(loss) as reported	**$ 35.8**	**$ 0.37**	**$ (0.3)**	**$ (0.00)**
Forward and derivative contracts	(6.8)	(0.07)	-	-
Helguvik gains	(7.3)	(0.08)	-	-
Lower of cost or NRV inventory adjustment	3.1	0.04	(3.2)	(0.03)
Adjusted net income/(loss)	**$ 24.8**	**$ 0.26**	**$ (3.5)**	**$ (0.04)**

Adjusted EBITDA Non-GAAP Reconciliation

($MM)	Q417	Q118
Net income/(loss) as reported	**$ 35.8**	**$ (0.3)**
Interest expense	5.6	5.5
Interest income	(0.5)	(0.5)
Net gain on forward and derivative contracts	(0.5)	(0.7)
Other expense - net	0.1	1.1
Income tax expense/(benefit)	3.1	(1.0)
Equity in earnings of joint ventures	(0.3)	(0.6)
Operating income	**$ 43.3**	**$ 3.5**
Helguvik gains	(7.3)	-
Lower of cost or NRV inventory adjustment	3.1	(3.2)
Depreciation and amortization	21.2	21.5
Adjusted EBITDA	**$ 60.2**	**$ 21.8**

For Additional Information

Peter Trpkovski

Finance Manager

peter.trpkovski@centuryaluminum.com

312-696-3112 (Office)

Century Aluminum Company

One South Wacker Dr, Suite 1000

Chicago, IL 60606

312-696-3102 (Fax)

www.centuryaluminum.com



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