Century ALUMINUM






Century Aluminum 2nd Quarter Earnings Call

August 1, 2019

Cautionary Statement

This presentation 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: the future financial and operating performance of Century and its subsidiaries, including financial and operating estimates or projections from the restart of curtailed capacity, as a result of future raw material costs or otherwise; our assessment of the aluminum market and aluminum prices (including premiums); our assessment of alumina pricing and costs associated with our other key raw materials, including power; our ability to successfully manage market risk and to control or reduce costs; our plans and expectations with respect to future operations, including any plans and expectations to curtail or restart production; our plans and ability to bring our Hawesville smelter back to full production and expectations as to the costs and benefits associated with this project, including expected incremental production or EBITDA as well as benefits from investments in new technology and other production improvements; our ability to successfully obtain long-term competitive power arrangements for our operations, including at Mt. Holly; our assessment of global and local financial and economic conditions; the impact of any Section 232 relief, including tariffs or other trade remedies, the extent to which any such remedies may be changed, including through exclusions or exemptions, and the duration of any trade remedy; the impact of any new or changed law, regulation, including, without limitation, sanctions or other similar remedies or restrictions; our anticipated tax liabilities, benefits or refunds including the realization of U.S. and certain foreign deferred tax assets and liabilities; our expectations with respect to the future impact and benefits from the sale of our 40% interest in BHH; our ability to access existing or future financing arrangements and the terms of any such future financing arrangements; our ability to repay or refinance debt in the future; our ability to recover losses from our insurance; estimates of our pension and other postretirement liabilities, legal and environmental liabilities and other contingent liabilities; negotiations with labor unions; and our future business objectives, plans, 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, forward-looking statements 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. 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 presentation, we will use non-GAAP financial measures. Non-GAAP financial measures should not be considered as alternatives to the measures derived in accordance with U.S. GAAP. Non-GAAP financial measures have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for results as reported under U.S. GAAP. Reconciliations to the most comparable GAAP financial measures can be found in the Appendix of today's presentation.

Speakers

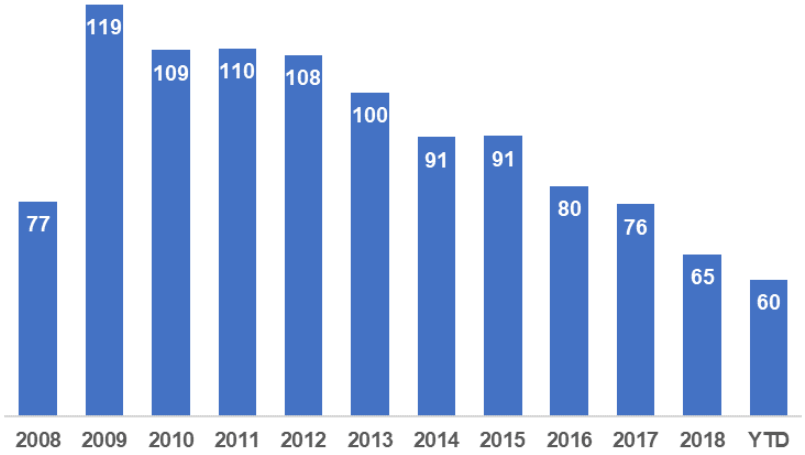
- Mike Bless, President and Chief Executive Officer
- Craig Conti, Executive Vice President and Chief Financial Officer
- Shelly Harrison, Senior Vice President, Finance and Treasurer

Overview

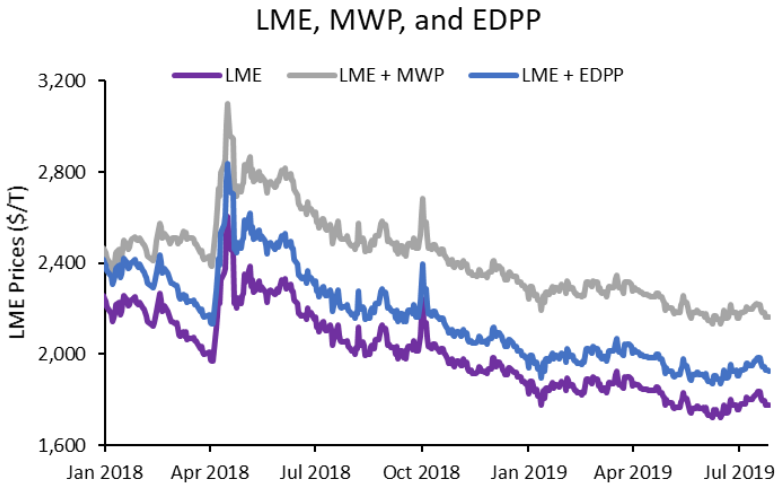
- Market conditions remain dynamic
- Alumina price returns to historical fair value range
- Operations stable and strategic initiatives on track
- Sale of interest in China anode plant
- Completion of rebuild / upgrade of Netherlands anode plant

Industry Environment

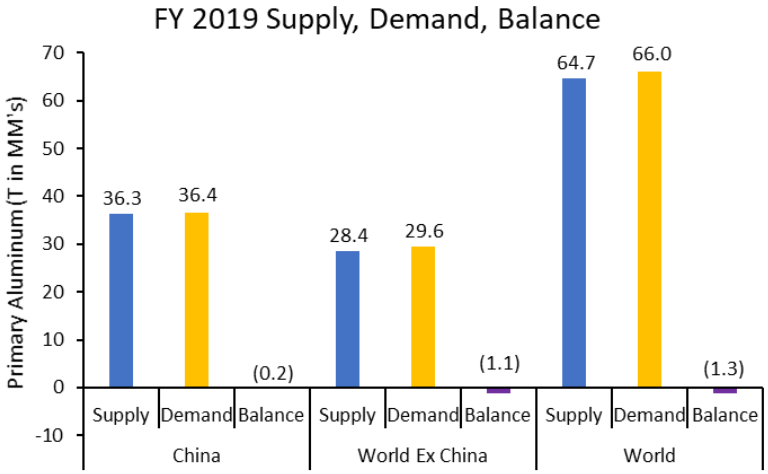
Global Inventory Days of Primary Aluminum Consumption



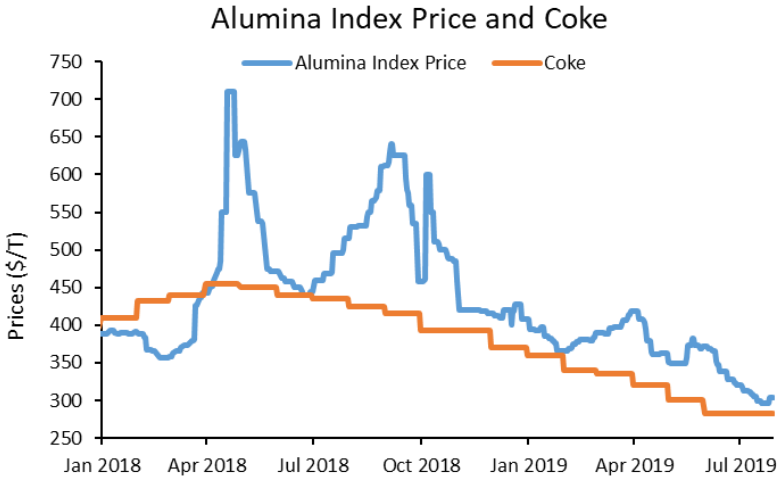
LME and Regional Premiums



FY 2019 Supply and Demand Balance



Alumina and Coke



Source: CRU Group, Century Aluminum Company

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Q2 2019 vs. Q1 2019 Operations

	Hawesville	Sebree	Mt. Holly	Grundartangi
Safety			Flat	
Production[(1)]	0%	-1%	0%	0%
KPIs	Flat	Flat	Flat	Flat
Controllable cost[(2)]	6%	2%	1%	-11%

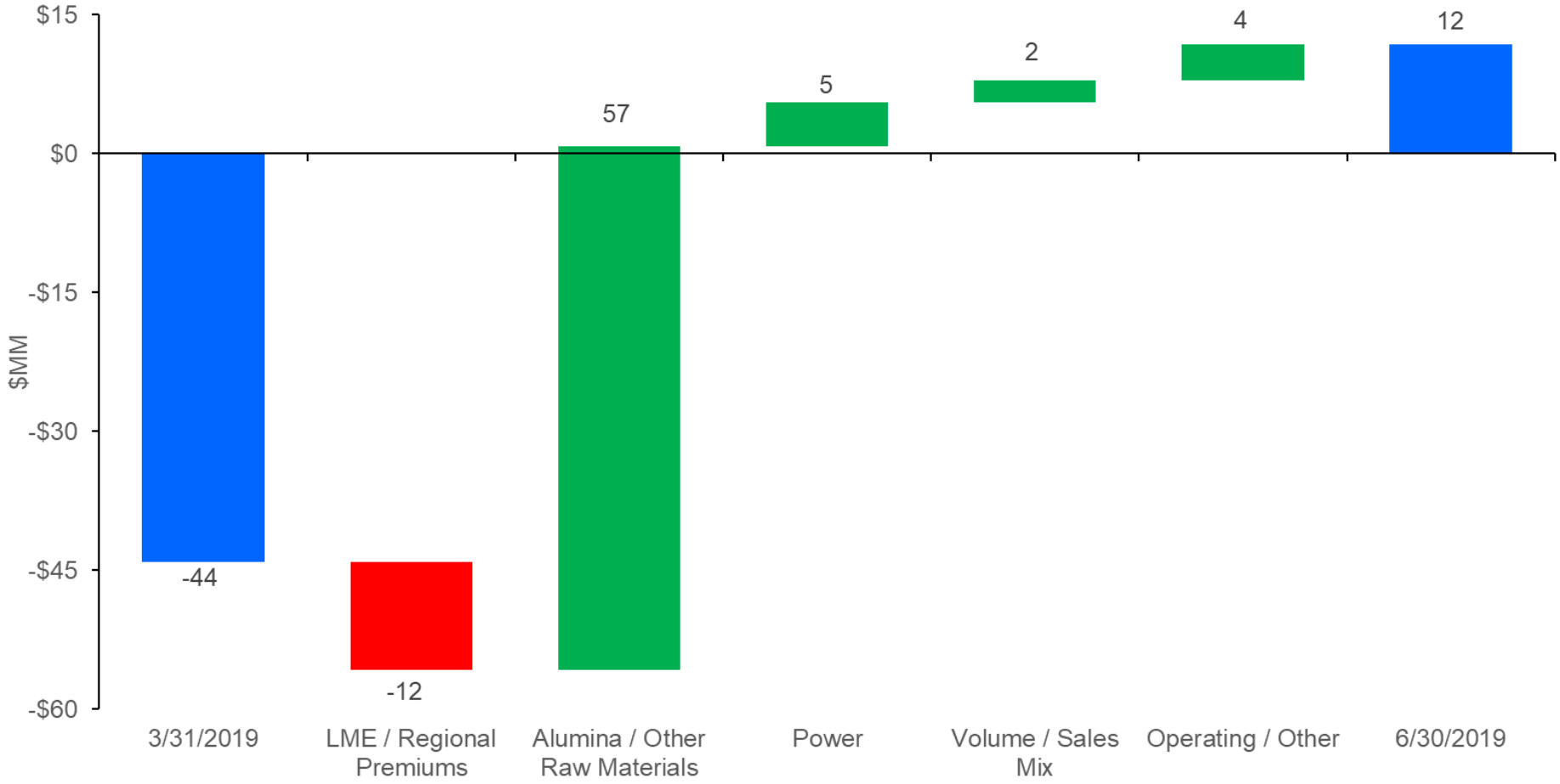
1) Production on a tonnes per day basis
2) Excludes raw materials and casting

Q2 2019 Summary Results

($MM, except per share and tonne amounts)	Q119	Q219
Income statement		
Shipments (tonnes)	206,451	203,380
Net sales	$ 490	$ 473
Net income/(loss)	(35)	(21)
Earnings/(loss) per share	(0.39)	(0.23)
Adjusted net income/(loss)[1]	(67)	(16)
Adjusted earnings / (loss) per share[1]	(0.70)	(0.17)
Adjusted EBITDA[1]	(44)	12
Liquidity		
Cash	$ 22	$ 26
Revolver availability	152	177
Total	$ 174	$ 202
Total debt[2]	$ 296	$ 306
Net debt[3]	274	280

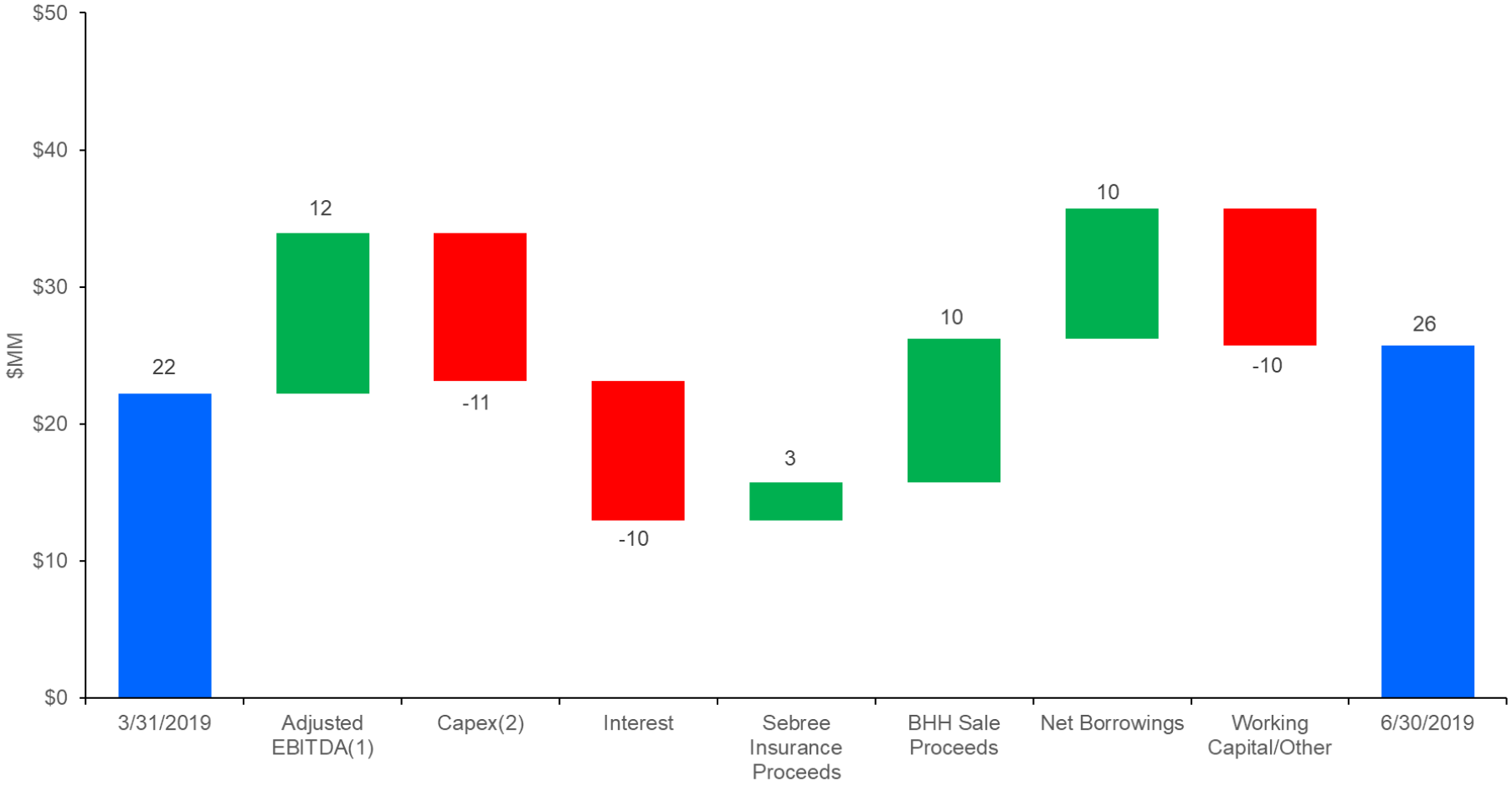
1) See reconciliation to comparable GAAP financial measure in appendix
2) Principal amount
3) Net debt is a non-GAAP financial measure equal to total debt minus cash

Q2 2019 Adjusted EBITDA(1)



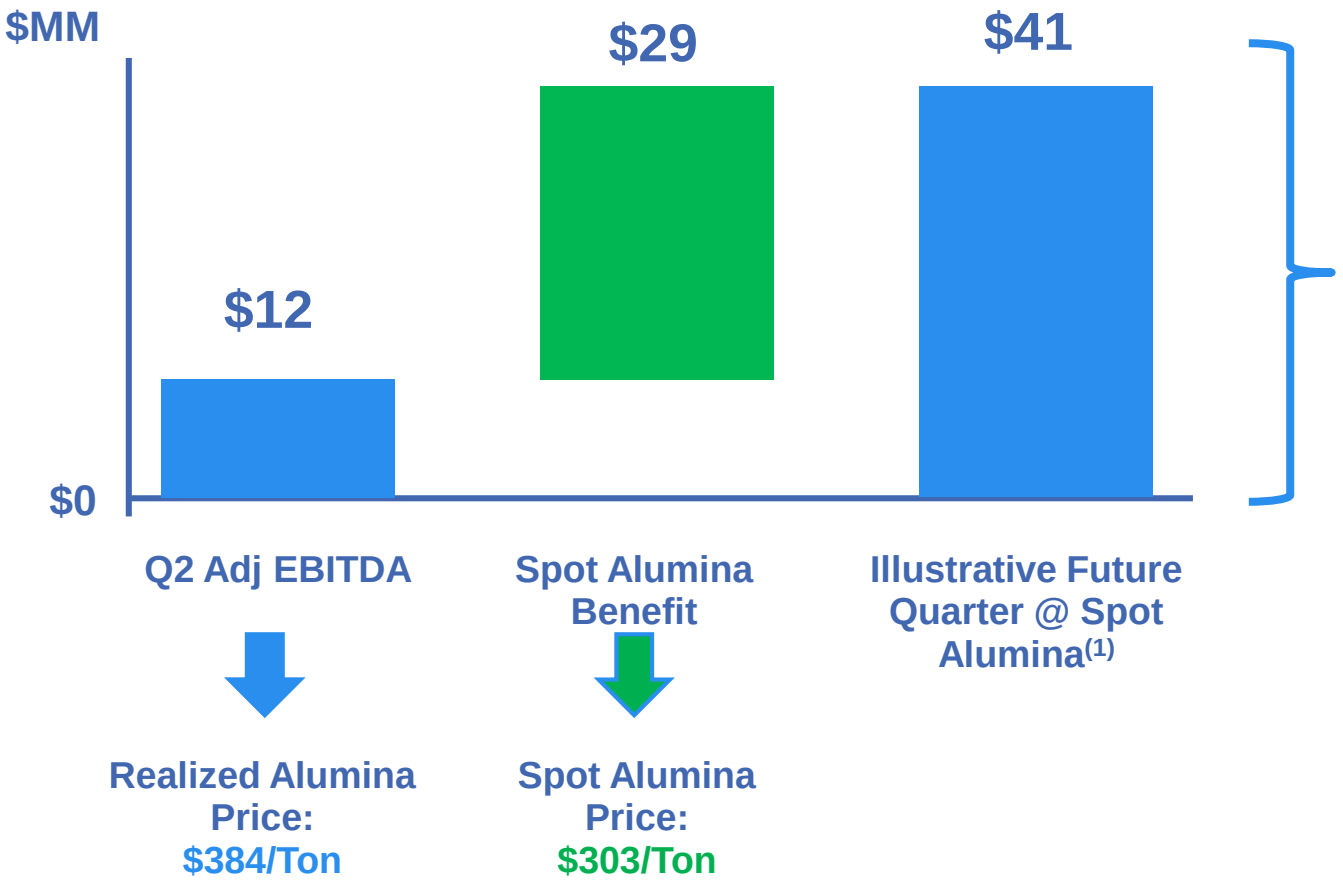
1) See reconciliation to comparable GAAP financial measure in appendix

Q2 2019 Cash Flow



1) See reconciliation to comparable GAAP financial measure in appendix
2) Includes Hawesville Restart of $2MM

Earnings Benefit Lags Alumina Market Improvement



Spot alumina prices will begin to benefit Century reported earnings with ~3 month lag … beginning Q4 2019

1) Potential alumina price impact to EBITDA in a future quarter assuming all other inputs unchanged from Q2 levels



Appendix

Non-GAAP Financial Measures

Adjusted EBITDA, adjusted net income / (loss) and adjusted earnings / (loss) per share and net debt 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 adjusting for 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 adjusted EBITDA, adjusted net income / (loss) and adjusted earnings / (loss) 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 / (loss) and adjusted earnings / (loss) 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/(Loss) Non-GAAP Reconciliation

	Q119		Q219	
	$MM	EPS	$MM	EPS
Net income (loss) as reported	**$ (34.6)**	**$ (0.39)**	**$ (20.7)**	**$ (0.23)**
Lower of cost or NRV inventory adjustment, net of tax	(35.0)	(0.40)	9.0	0.10
Unrealized (gain) loss on derivative instruments	5.6	0.06	(6.2)	(0.07)
Loss on sale of BHH	-	-	4.3	0.05
Sebree equipment failure, net of insurance proceeds	(4.3)	(0.05)	(2.8)	(0.03)
Hawesville restart project	1.7	0.02	0.2	0.00
Impact of preferred shares	-	0.06	-	0.01
Adjusted net income (loss)	**$ (66.6)**	**$ (0.70)**	**$ (16.2)**	**$ (0.17)**

Adjusted EBITDA Non-GAAP Reconciliation

($MM)	Q119	Q219
Net income (loss) as reported	**$ (34.6)**	**$ (20.7)**
Interest expense	5.8	5.8
Interest expense - term loan	-	0.6
Interest income	(0.2)	(0.2)
Net (gain) loss on forward and derivative contracts	5.7	(6.1)
Other (income) expense - net	(1.1)	1.7
Income tax (benefit) expense	(2.9)	(1.6)
Loss on sale of BHH	-	4.3
Equity in earnings of joint ventures	(0.5)	(0.1)
Operating income (loss)	**$ (27.8)**	**$ (16.3)**
Lower of cost or NRV inventory adjustment	(36.3)	9.6
Sebree equipment failure, net of insurance proceeds	(4.3)	(2.8)
Depreciation and amortization	24.3	21.2
Adjusted EBITDA	**$ (44.1)**	**$ 11.7**

Sensitivities

($MM)	Variance	Annual EBITDA[6]
LME	+/- $100/T	$ 76
MWP[1]	+/- $0.01/lb	7
EDPP[2]	+/- $22.04/T	7
MISO Indiana Hub[3]	+/- $1/MWh	6
NYMEX Henry Hub Nat Gas[4]	+/- $0.10/MMBtu	1
Alumina Price Index	+/- $10/T	14
Coke [5]	+/- $10/T	3
Pitch[5]	+/- $10/T	1

1) Midwest Premium for all U.S. operations
2) European Duty Paid Premium for Grundartangi operations
3) Power market for Hawesville and Sebree operations
4) Power market for Mt. Holly operations
5) Raw materials for carbon anodes
6) Includes impact of outstanding hedges

For Additional Information

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