Century ALUMINUM






Century Aluminum Company

4th Quarter Earnings Call

February 21, 2024

Cautionary Statement

Certain statements in this presentation, and those made by Century Aluminum Company management on the quarterly conference call, relate to future events and expectations and are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "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" often identify forward-looking statements. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding our outlook, assumptions, projections, forecasts or trend descriptions. These statements do not guarantee future performance and speak only as of the date they are made, and we do not undertake to update our forward-looking statements, whether as a result of new information, future events, or otherwise. Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and is 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 ("SEC"). Although we have attempted to identify 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 actual 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.

Our forward-looking statements include, without limitation, statements with respect to: future global and domestic financial and economic conditions; the outlook for the global aluminum and alumina markets including benchmark and premium pricing levels; our assessment of U.S. and European energy and power markets; costs associated with our other key raw materials, and supply and availability of those key raw materials, including power (and related natural gas and coal); our assessment of power price and availability for our U.S. and European operations including the likelihood and extent of any power curtailments; the impact of the wars in Ukraine and Israel including any related impacts on global energy markets and/or any sanctions and export controls targeting Russia and businesses tied to Russia and to sanctioned entities and individuals, including any possible impact on our business, operations, financial condition, results of operations and global supply chains; the future financial and operating performance of Century and its subsidiaries; our ability to successfully manage market risk and to control or reduce costs; our plans and expectations with respect to future operations of the Company and its subsidiaries, including any plans and expectations to curtail or restart production, including the expected impact of any such actions on our future financial and operating performance; our plans and expectations with regards to future operations of our Mt. Holly smelter, including our expectations as to the restart of curtailed production at Mt. Holly, including the timing, costs and benefits associated with restarting curtailed production; our plans with regards to future operations of our Hawesville smelter, including our expectations as to the timing, costs and benefits associated with restarting curtailed production; our plans and expectations with regards to the Grundartangi casthouse project, including our expectations as to the timing, costs and benefits associated with the Grundartangi casthouse project; our plans and expectations with respect to the acquisition of a 55% interest in Jamalco, including our expectations as to the costs and benefits associated with this transaction; our ability to successfully obtain and/or retain competitive power arrangements for our operations; our ability to qualify for and realize potential tax benefits under the Inflation Reduction Act of 2022; 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; and other factors described in more detail in our Annual Report on Form 10-K, quarterly reports on Form 10-Q and in our other SEC filings.

In addition, throughout this presentation, we 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

- Jesse Gary – President and Chief Executive Officer
- Jerry Bialek – Executive Vice President and Chief Financial Officer
- Peter Trpkovski – Senior Vice President, Finance and Treasurer

Company and Market Update

Industry Fundamentals

- Strong Chinese demand growth, especially in solar and EV production
- ~1.2 million MTs annual Chinese capacity curtailed in Q4; fourth consecutive year of winter production cuts
- Near-term Ex China demand remains challenged. Europe delivery premiums buoyed by potential Russia sanctions and shipping disruptions
- Global inventories remain at historical lows

Costs

- Indiana Hub prices QTD ~$40/MWh, driven by January cold snap; now averaging ~$25/MWh MTD
- Coke prices QTD ~$415/MT U.S. Gulf FOB basis; down ~40% from prior year
- Caustic Soda and Nat Gas prices down > 50% from prior year

Operations

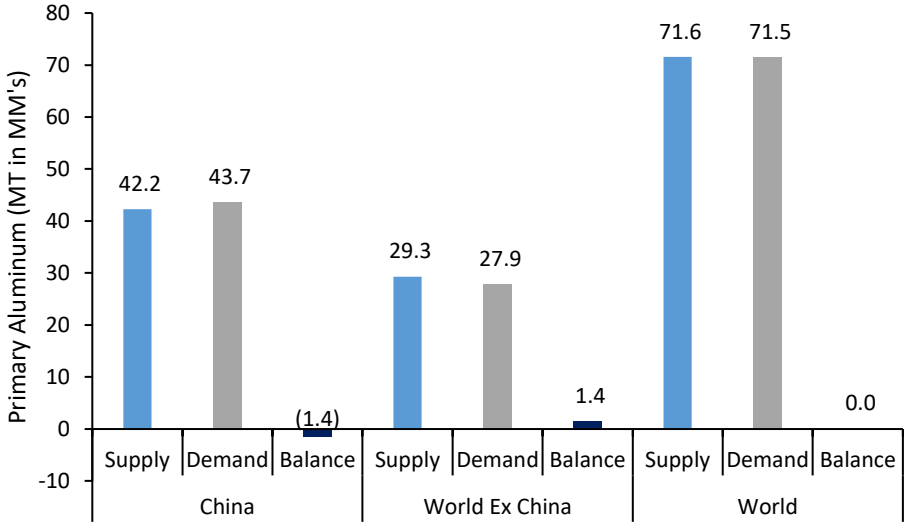
- Low reservoir levels in Iceland lead to small power curtailment at Grundartangi smelter; expected to end by April 30
- Continued focus on Jamalco operational efficiencies after Q3 equipment event limited output
- U.S. smelters continue operating at targeted utilization levels
- Iceland casthouse nearing completion

Financial

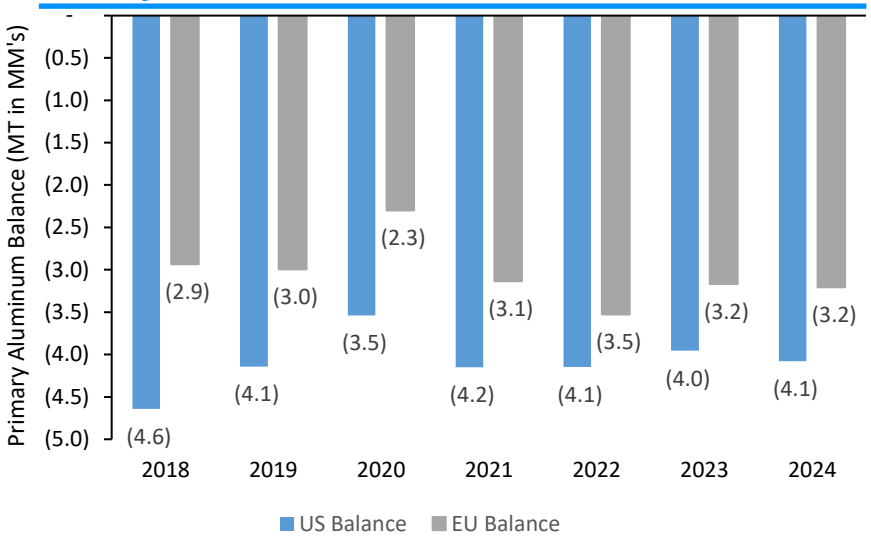
- Recorded $59MM IRA 45X credit, cash proceeds expected in 2H24
- Reduced debt by $33MM
- Strong liquidity of $312MM

Industry Environment

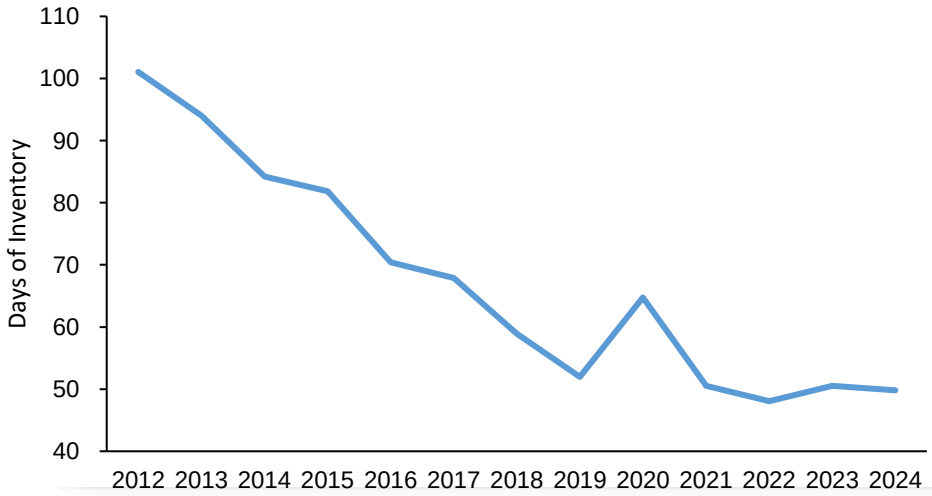
Aluminum Supply and Demand Balance – FY24



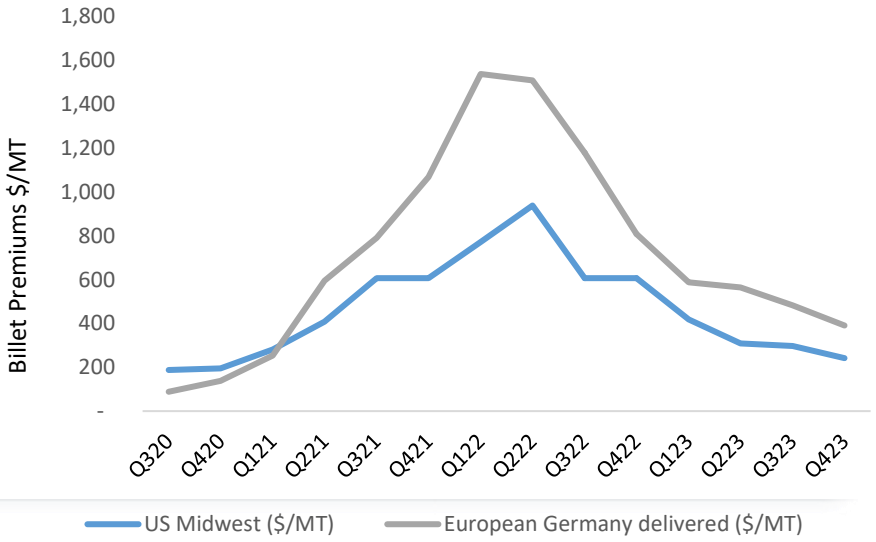
Primary Aluminum Balance – US and EU



Global Inventory Days of Primary Aluminum Consumption



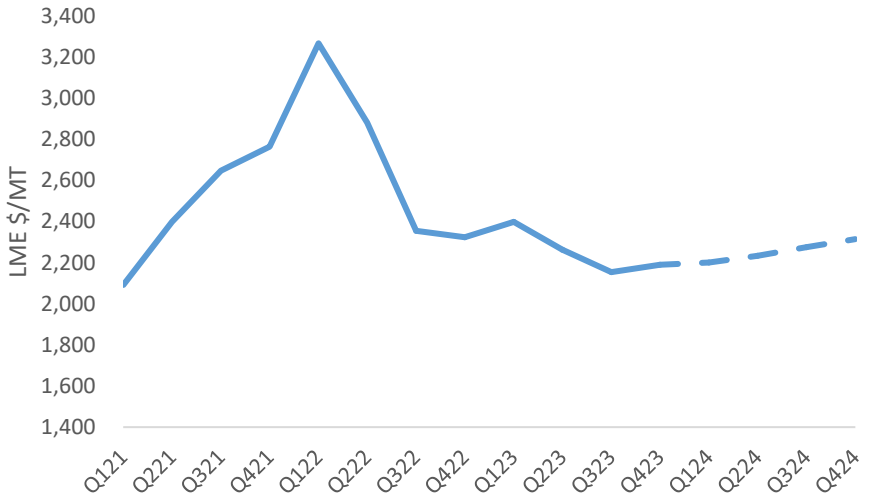
Billet Premiums – Upcharge



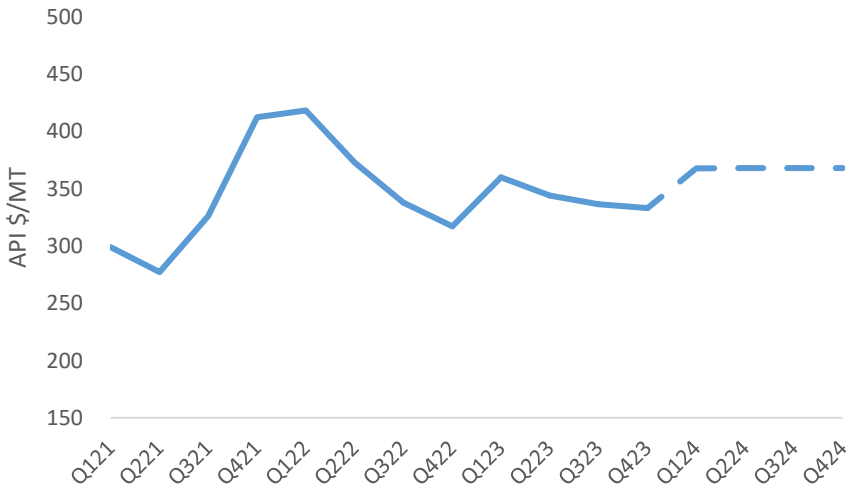
1) Source: CRU Group, Century Aluminum Company

Industry Environment

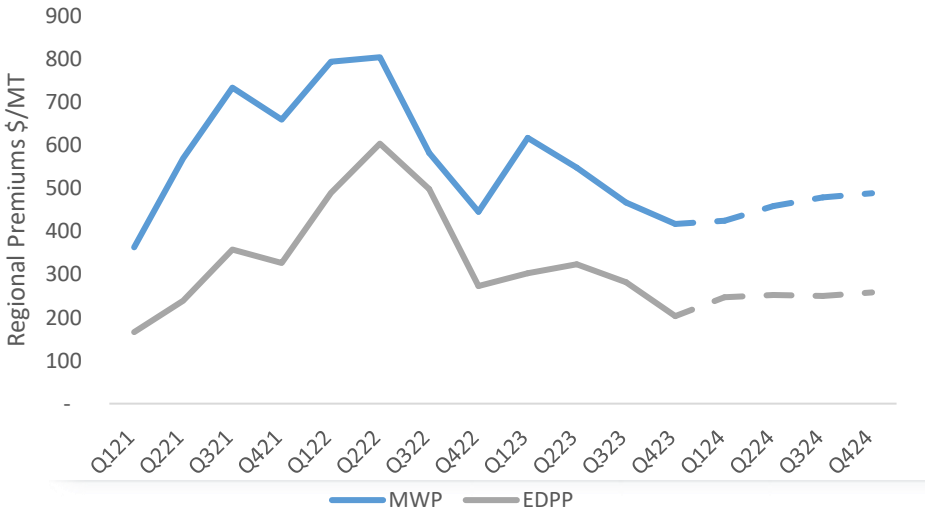
LME Aluminum



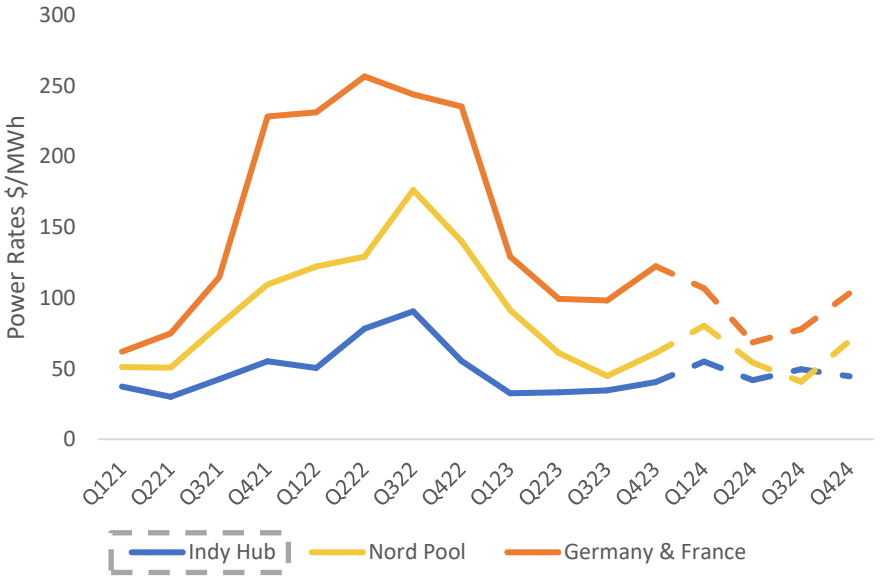
Alumina Price Index



Regional Premiums



Power Actuals and Forwards



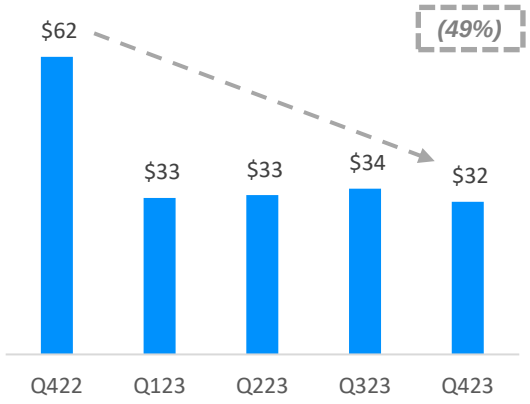
Century power market

Century ALUMINUM 1) Source: CRU Group, Century Aluminum Company

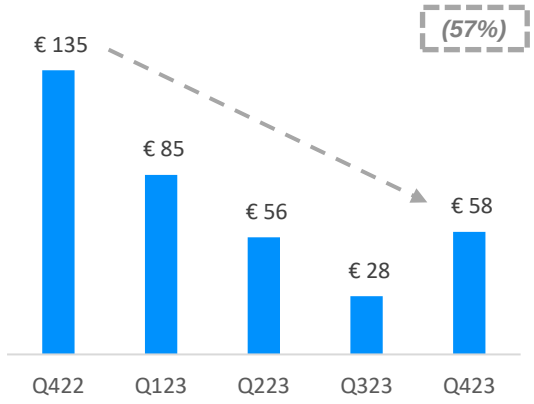
Industry Environment

Smelter Input Prices

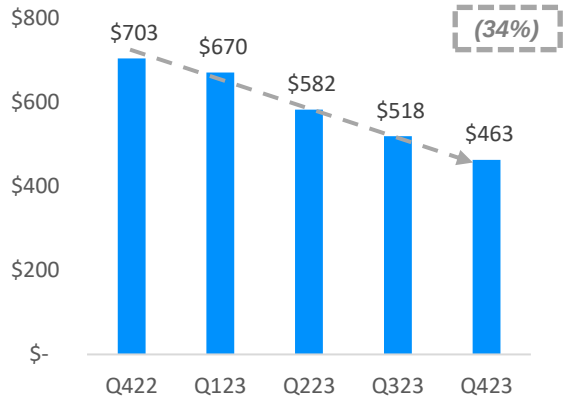
Indy Hub $/MWh



Nord Pool €/MWh

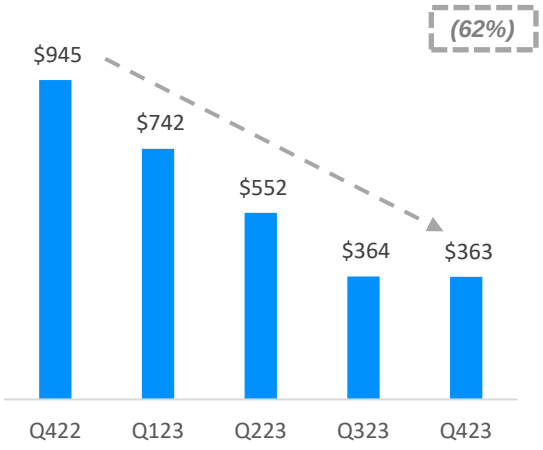


Coke $/MT

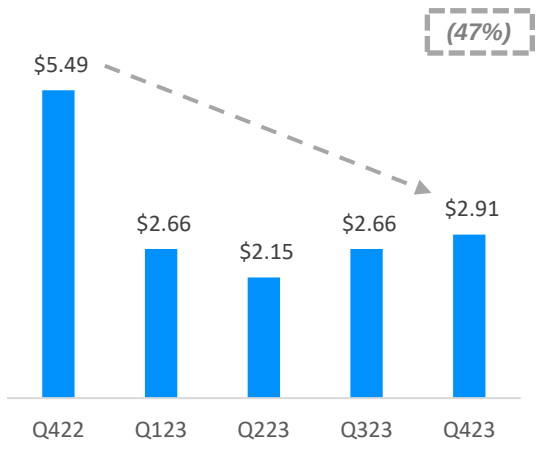


Refinery Input Prices

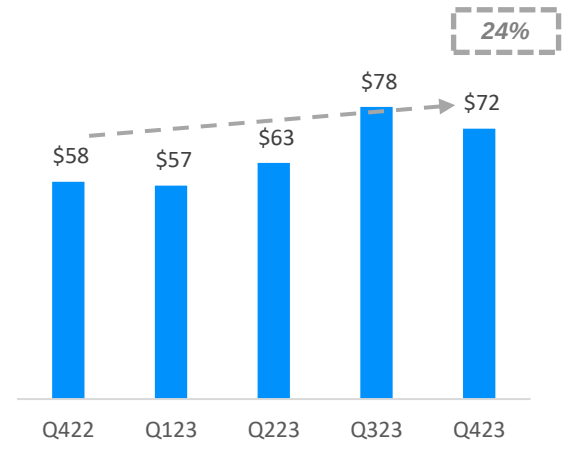
Caustic $/MT



Henry Hub $/mmbtu



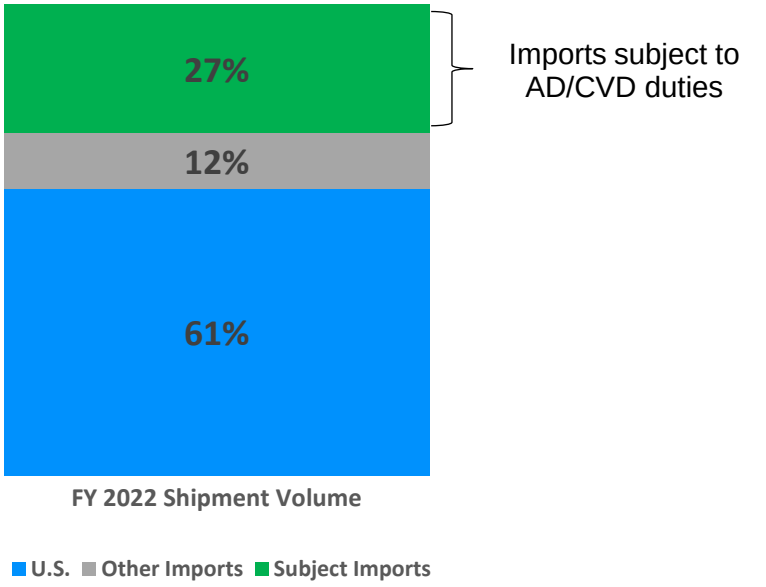
HFO $/bbl



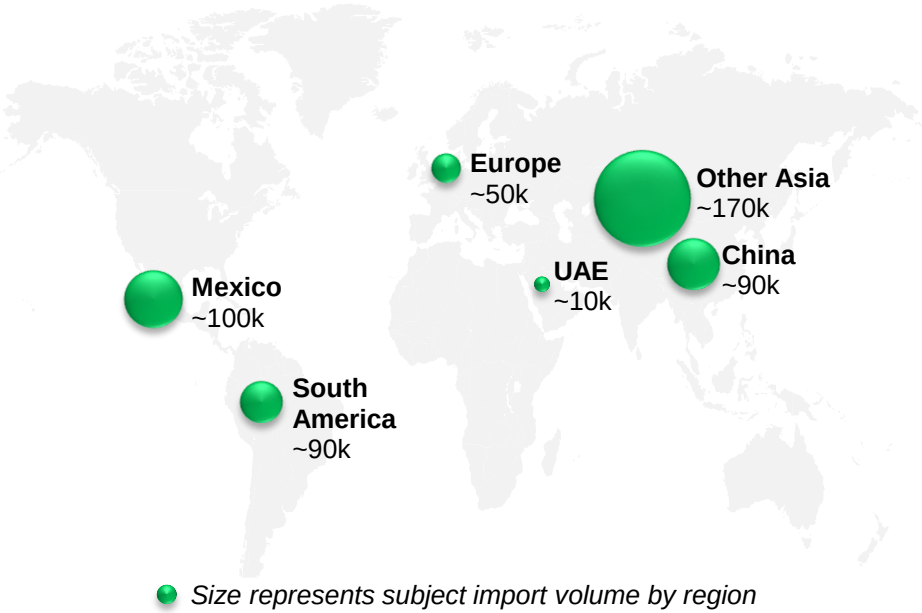
1) Source: CRU Group, Platts, Century Aluminum Company

Extrusion trade case expected to drive increased U.S. billet demand

U.S. market share of aluminum extrusions



Subject import volume by region (MTs)



- 14 countries under investigation
- Annual subject imports total ~510k MTs, representing ~27% of the U.S. aluminum extrusions market
- Initial duty determinations due in March/May. Industry seeking duties from 26% - 377%

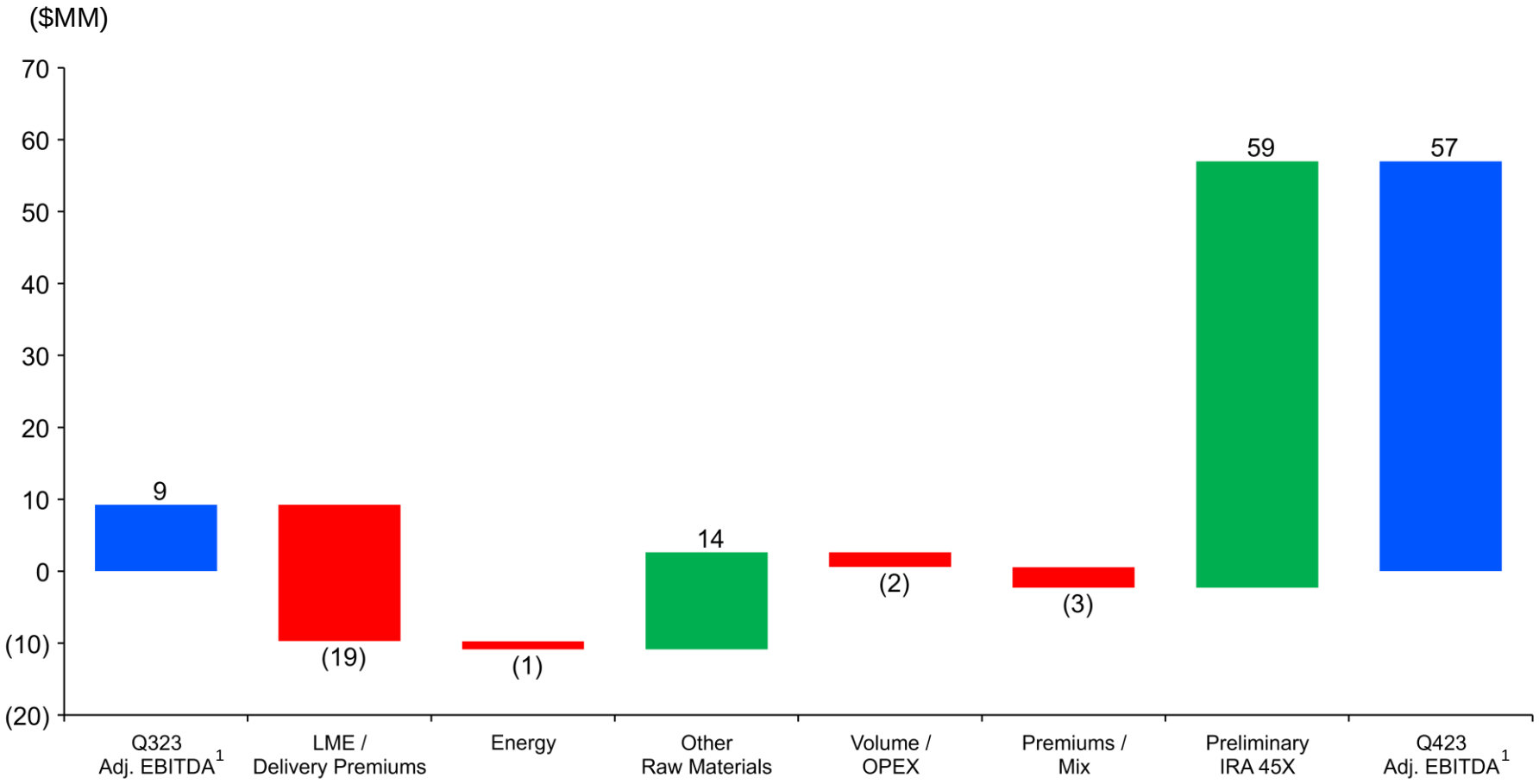
Summary of Financial Results

($MM, except per share and tonne amounts)	Q323	Q423	FY22	FY23
Income statement				
Shipments (tonnes)	171,995	173,871	768,691	700,680
Net sales	$ 545	$ 512	$ 2,777	$ 2,185
Net income/(loss)	(42)	30	(14)	(43)
Earnings/(loss) per share	(0.45)	0.30	(0.15)	(0.47)
Adjusted net income/(loss)[1]	(14)	40	26	31
Adjusted earnings/(loss) per share[1]	(0.13)	0.39	0.26	0.33
Adjusted EBITDA[1]	9	57	144	120
Liquidity				
Cash[2]	$ 93	$ 89	$ 54	$ 89
Credit facility availability	212	223	191	223
Total	306	312	245	312
Total debt[3]	517	484	533	484
Net debt[4]	424	395	479	395

1) See reconciliation to comparable GAAP financial measure in appendix
2) Q323 balance includes $22.9MM of restricted cash generated from Mt. Holly land sale used on capital expenditures
3) Principal amount
4) Net debt is a non-GAAP financial measure equal to total debt minus cash

Financial Results

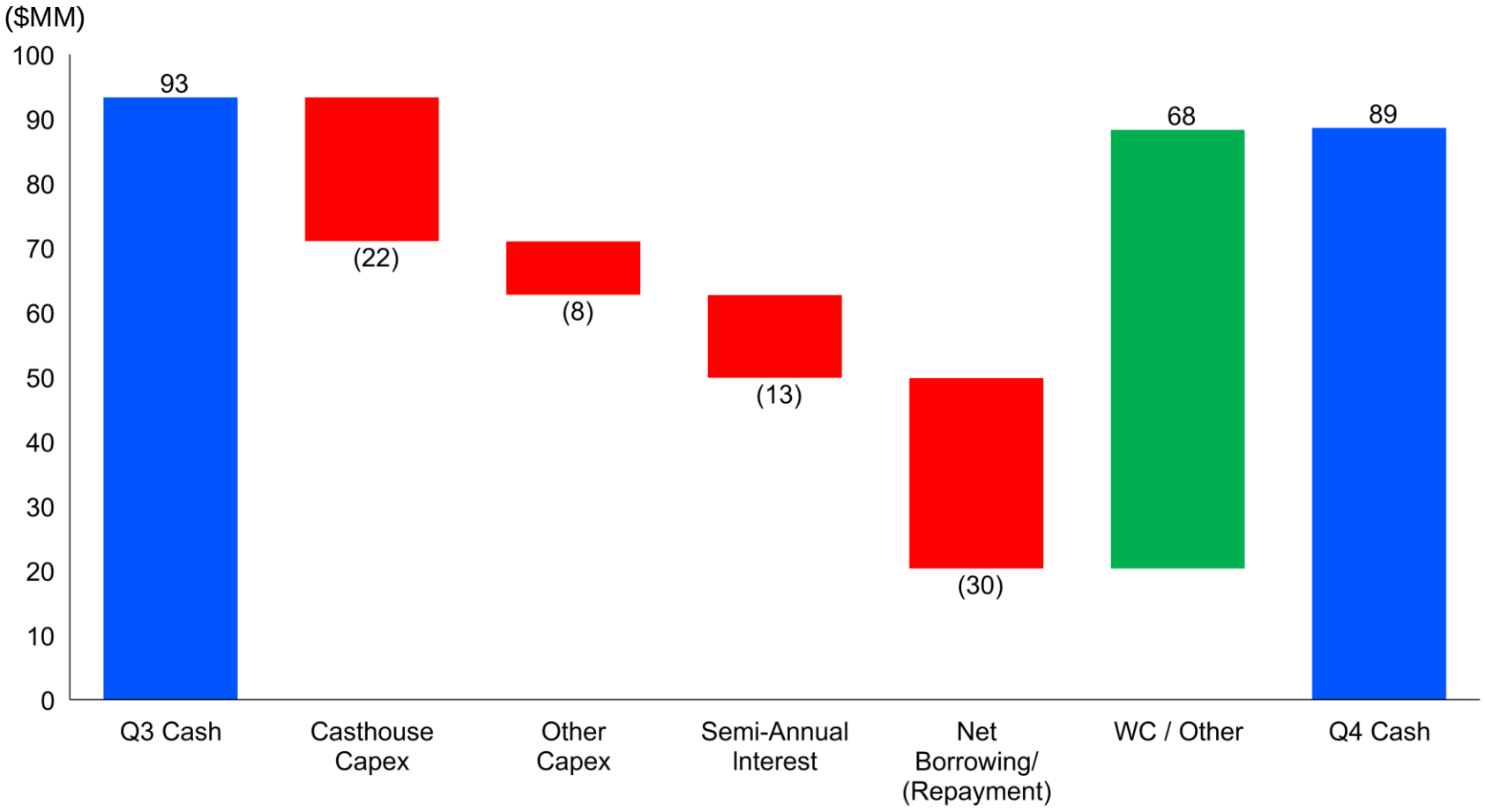
Q323 vs. Q423 Adjusted EBITDA



1) See reconciliation to comparable GAAP financial measure in appendix

Financial Results

Q323 to Q423 Cash Flow



Q1 Outlook at Realized Prices

Adjusted EBITDA[1]	$MM
Q4 Actual Adjusted EBITDA Attributable to Century[2]	$12
LME / Delivery Premiums	~$(2)
LME $2,190/MT	
US Midwest Premium $416/MT	
European Duty Paid Premium realized $222/MT	
Energy	$ -
Indy Hub $35/MWh	
HFO $67/bbl	
Henry Hub $2.10/mmbtu	
Other Raw Materials	$5 - $10
Alumina $380/MT	
Coke $451/MT	
Pitch $1,167/MT	
Caustic $370/MT	
Value Add Premiums	~$(10)
Volume	$(5) - $0
OPEX	~$5
Q1 Outlook @ Estimated Realized Prices[3]	**$5 - $15**

Adjusted Net Income	$MM
Q1 estimated hedge impact - Realized P&L	$0
Q1 estimated tax expense - Realized P&L	$0 - $5

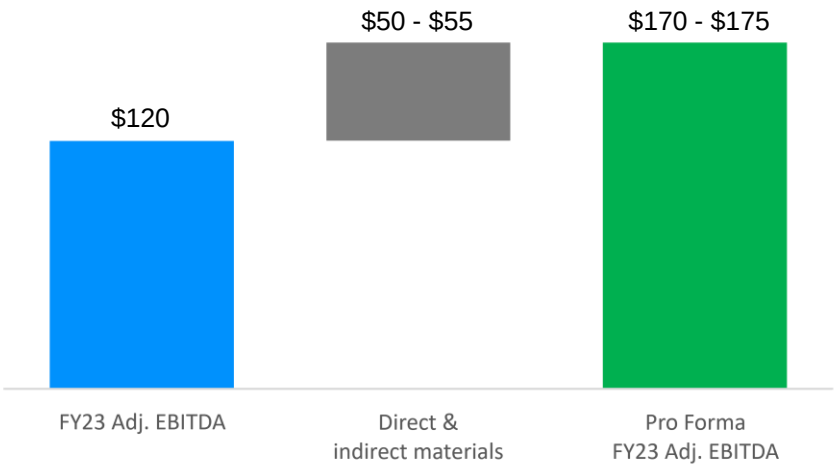
1) Changes in the LME, premiums, energy, alumina and other raw materials will affect actual results, perhaps by material amounts
2) Adjusted to reflect pro rata amount of preliminary Q423 IRA 45X credit
3) Prices as of 2/16/2024

Century has material 45X upside beyond initial guidance

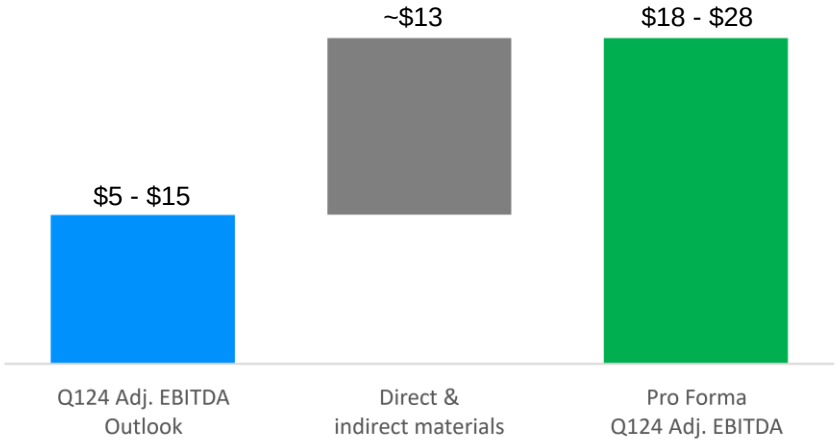
Status Update

- Initial Century outlook based on proposed Treasury regulations
- Century in discussions with Treasury urging inclusion of direct and indirect material costs under 45X
- Certain U.S. Senators and other key industry participants requested similar revisions to clarify cost eligibility includes direct and indirect materials
- **Additional potential benefit of $50 - $55MM, totaling $110 - $115MM annually[1]**

FY23 Pro Forma Adj. EBITDA $MM



Q124 Pro Forma Adj. EBITDA $MM



1) IRA 45X credit estimate assumes current production levels



Appendix

Non-GAAP Financial Measures

Adjusted net income (loss), adjusted earnings (loss) per share, adjusted EBITDA 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 net income (loss), adjusted earnings (loss) and adjusted EBITDA 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 net income (loss), adjusted earnings (loss) per share and adjusted EBITDA 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.

This presentation also provides forward-looking adjusted EBITDA. We do not provide a reconciliation of forward-looking adjusted EBITDA because the most closely comparable GAAP financial measure is not accessible on a forward-looking basis and reconciling information is not available without unreasonable effort due to the inherent difficulty of forecasting and quantifying certain amounts that are necessary for such a reconciliation.

Adjusted Net (Loss) Income Attributable to Century Non-GAAP Reconciliation

	Q323		Q423	
	$MM	EPS	$MM	EPS
Net (loss) income attributable to Century stockholders[1]	**$ (42.0)**	**$ (0.43)**	**$ 30.8**	**$ 0.30**
Lower of cost or NRV inventory adjustment, net of tax	(4.2)	(0.04)	(3.0)	(0.03)
Unrealized loss (gain) on derivative contracts, net of tax	21.9	0.22	2.9	0.03
Share-based compensation	1.0	0.01	1.3	0.01
Jamalco acquisition costs	0.2	-	0.6	0.01
Jamalco equipment failure	9.3	0.10	7.4	0.07
Impact of preferred and convertible shares	-	0.01	-	-
Adjusted net (loss) income attributable to Century stockholders	**$ (13.8)**	**$ (0.13)**	**$ 40.0**	**$ 0.39**

Weighted Average # Shares Outstanding (applicable to Adj. EPS)	Q323	Q423
Common	92.4	92.4
Preferred	5.4	5.4
Convertible	4.6	4.6
Total	**102.4**	**102.4**

1) In periods of positive earnings, this represents earnings allocated to participating dilutive shares. For the three months ended December 31, 2023, this includes earnings allocated to common stockholders increased by $1.6 million net interest expense related to the convertible notes and $0.8 million in share-based compensation related to the equity classified awards. For the three months ended September 30, 2023, there were no earnings allocated due to the loss.

Adjusted EBITDA Non-GAAP Reconciliation

$MM	Q323	Q423
Net (loss) income attributable to Century stockholders, as reported	**$ (42.0)**	**$ 30.0**
Add: Net loss attributable to noncontrolling interests	(3.9)	(4.4)
Net (loss) income	**(45.9)**	**25.6**
Interest expense – affiliates	-	1.5
Interest expense	9.2	7.4
Interest income	(0.4)	(0.9)
Net loss (gain) on forward and derivative contracts	25.2	(11.9)
Other (income) expense – net	(1.3)	0.8
Income tax (benefit) expense	(11.0)	6.6
Equity in losses of joint ventures	-	0.1
Operating (loss) income	**$ (24.2)**	**$ 29.2**
Lower of cost or NRV inventory adjustment	(4.6)	(6.5)
Share-based compensation	1.0	2.0
Jamalco acquisition costs	0.2	0.6
Jamalco equipment failure	16.9	13.5
Depreciation and amortization	25.6	21.1
Adjusted EBITDA	**14.9**	**59.9**
Less: Adjusted EBITDA attributable to noncontrolling interests	5.6	2.8
Adjusted EBITDA attributable to Century stockholders	**$ 9.3**	**$ 57.1**

Supplemental Information	Q323	Q423
Pot Relining Expense[1]	$ 6.5	$ 9.5

1) The Company expenses its pot relining costs through Costs of Goods Sold as incurred rather than capitalizing and amortizing over a period of years. For informational purposes, we have provided the amount of pot relining expense incurred for each period. Our calculation of Adjusted EBITDA above does not make any adjustment to exclude these charges.

2024 Financial Assumptions

Income Statement ($MM)	FY23	FY24
Aluminum shipments (kMT)	700	700
D&A	$82	$80-90
SGA	$44	$40-45
Interest Expense	$36	$35-40
Realized Hedge Gain	$24	Varies based on market
Tax Benefit	$15	U.S. < $1MM (~$1.5B Federal NOLs); Iceland 20% statutory rate

Shipments (kMT)	FY23	FY24
Sebree	220	220
Hawesville	-	-
Mt. Holly	170	165
Grundartangi	310	315
Total	700	700

Cash Flow ($MM)	FY23	FY24
Sustaining Capex	$13	$10-15
Jamalco Capex[1]	$7	$10-15
Iceland Casthouse[2]	$69	$15-20
SGA	$38	$35-40
Interest	$35	$35-40
Hedge Settlements Gain	$21	Varies based on market
Tax	$6	$15

1) Represents Century's 55% interest
2) Iceland Casthouse project is fully financed

2024 Financial Information

Sensitivities ($MM)	Variance	Annual EBITDA[7]	Annual Cash[8]
LME	+/- $100/MT	$ 46	$ 43
MWP[1]	+/- $22.04/MT	9	9
EDPP[2]	+/- $22.04/MT	7	7
Alumina Price Index	+/- $10/MT	2	2
MISO Indiana Hub[3]	+/- $1/MWh	3	3
Coke[4]	+/- $10/MT	3	3
Pitch[4]	+/- $10/MT	1	1
Caustic Soda[5]	+/- $10/MT	0.5	0.5
HFO[6]	+/- $1/bbl	0.7	0.3
Henry Hub[6]	+/- $0.10/mmbtu	0.2	0.2

Pricing Convention	
LME	U.S.:50% ~1 month lag / 50% ~3 month lag Iceland: primarily ~3 month lag
MWP	~1 month lag
EDPP	~3 month lag
Alumina	Income stmt: 3-4 month lag Cash flow: ~1 month lag
Indiana Hub	MISO Day ahead Indiana Hub ATC
Coke/Pitch	Income stmt: Quarterly Cash flow: ~1 month lag
Caustic	Income stmt: 5-6 month lag Cash flow: ~1 month lag
HFO / Nat Gas	1-2 month lag

Cash costs	
Alumina	% LME (~50%), Jamalco/Fixed (~40%), API (~10%)
Power	KY – Market-based power (Indiana Hub) plus delivery SC – Cost of service-based rates Iceland – ~70% LME dependent / ~30% fixed rate plus transmission
Carbon	Coke – Index, direct counterparty pricing Pitch – Direct counterparty pricing
Refinery	Caustic Soda – Index, direct counterparty pricing HFO – Index, direct counterparty pricing Natural Gas – Henry Hub plus delivery
Conversion	Labor, pot relining, maintenance, supplies, other

Pricing Formula	
Revenue	P1020: LME + Regional Premium VAP: LME + Regional Premium + Value added product premiums
Value added premiums	U.S. Mostly fixed annual contracts Europe: Mostly fixed quarterly contracts

1) Midwest Premium for all U.S. operations
2) European Duty Paid Premium for Grundartangi operations
3) Power market for Sebree operations
4) Raw materials for carbon anodes
5) Raw materials for Jamalco operations
6) Energy markets for Jamalco operations
7) Excludes impact of outstanding hedges
8) Reflects impact of outstanding hedges

Financial Hedge Landscape

Volume (unit) / % Hedged / Price/unit[1]

Commodity (unit)	FY24 Q2-Q4			FY25		
	Volume	% Hedged	Price	Volume	% Hedged	Price
LME (MT)	26,200	5%	$ 2,325	-	-	-
MWP (MT)	-	-	-	-	-	-
EDPP (MT)	-	-	-	-	-	-
Indiana Hub (MWh)	-	-	-	-	-	-
Natural Gas (mmbtu)	-	-	-	-	-	-
HFO (bbls)[2]	225,000	42%	$ 61	10,000	1%	$ 62

1) Hedges in place as of 2/16/2024
2) Represents Jamalco's estimated HFO usage on 55% basis

Capacity and Production Information

Aluminum facilities (kMT)

Plant	Country	Capacity	% Operating
Sebree	U.S.	220	100
Hawesville	U.S.	250	0
Mt. Holly	U.S.	230	75
Grundartangi	Iceland	320	100
Total		1,020	70

Carbon anode facility (kMT)

Plant	Country	Capacity	% Operating
Vlissingen	Netherlands	150	100
Total		150	100

Bauxite mining and alumina refinery (kMT)[1]

Plant	Country	Capacity	% Operating
Jamalco	Jamaica	1,400	80
Total		1,400	80

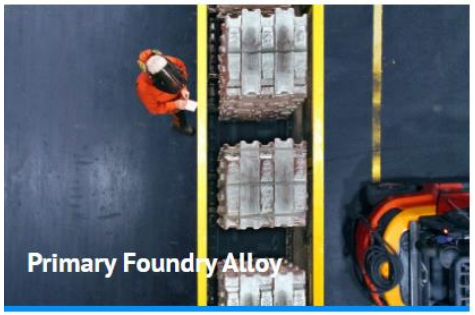
1) Represents 100% share

Value-Added Products

Value-added products capacity (kMT)	FY24	FY25
Sebree – Billet/Slab	175	175
Mt. Holly – Billet/Slab	120	120
Grundartangi – Natur-Al ™ Foundry Alloy	120	120
Grundartangi – Natur-Al ™ Billet	150	150
Total	565	565







Critical mineral provisions of Inflation Reduction Act to benefit U.S. Aluminum industry

IRA overview

- The U.S. government passed the Inflation Reduction Act (IRA), effective for 2023 calendar year and thereafter
- Proposed IRA regulation production tax credit under Section 45X was published by the U.S. Treasury on 12/14/23
- Century in discussions with Treasury urging inclusion of direct and indirect material costs under 45X
- The tax credit applies to the production of critical minerals and renewable energy components

45X production tax credits

- Domestically produced primary aluminum eligible for Section 45X production tax credits
  - Section 45X provides a 10% credit of eligible production costs
  - Eligible costs include, but are not limited to, labor electricity, depreciation and amortization, and overhead
- 45X benefit accounted for as a reduction in COGS
- **Century recorded $59.3MM full-year 2023 EBITDA and net income benefit**
  - Additional potential annual benefit of $50 - $55MM for CENX[1]

Century eligible facilities

- Sebree: Primary smelter located in KY – 220k MT capacity
- Mt. Holly: Primary smelter located SC – 230k MT capacity
- Hawesville: Primary smelter located in KY – 250k MT capacity

Payment period and details

- 2023-2027: tax credit to be received as direct cash payment made in arrears; payment for 2023 expected in 2H 2024
- 2028+: tax credit continues in form of tradeable tax credit
- Tax credit for critical minerals does not have phase out provision

1) IRA 45X credit estimate assumes current production levels

Capital Allocation

Capital Allocation Framework

Maintain Liquidity Through the Cycle

- $250-$300MM liquidity target
- $300MM net debt target

Sustaining Capital Projects

- $30-35MM in historical sustaining capex per year

Capital Allocation

- Organic growth/Investment capex
- Opportunistic M&A
- Return to shareholders

Current Status Update

	Q423	Target
Liquidity	$312	$250-300
Net Debt[1]	$290	$300

- Organic growth/Investment capex
  - Jamalco investment projects
  - Iceland casthouse
- Opportunistic M&A
  - Jamalco acquisition
  - Will evaluate individual assets on an ongoing basis

When liquidity and net debt targets are met:

- Return to shareholders (repurchases/dividend)
  - Existing share repurchase program in place
  - Compare returns of repurchases against organic growth or M&A opportunities

1) Excludes Iceland casthouse expansion project

Low-Carbon Billet Casthouse Expansion Project

Will produce 150,000 tonnes of Natur-Al™ billet and increase total primary foundry alloy production to 120,000 tonnes



- Construction nearing completion, commercial production expected Q124
- Investment will allow Iceland to shift more production to Value-Added Products (billet, foundry alloy)
- Green billet capacity of 150,000 tonnes and increase total primary foundry alloy production to 120,000 tonnes
- Natur-Al™ billet Scope 1, 2 and 3 emissions expected to be less than 4t CO_2/t AL, less than 25% of industry average



- $130MM investment
- 100% Green financing; 8-year term facility
- No near-term cash flow needs other than interest due on principal
- Billet premiums have historically been $200 – 250/MT over EDDP
- Growing green premium on low carbon value-added products



- The European market for billet is short approximately 1.0 million tonnes per year
- European CBAM places increasing focus on carbon emissions
- The European extrusion market will need new green sources to emerge in order to prevent carbon leakage

1) Source: CRU Group, Century Aluminum Company

Century ALUMINUM

natur-Al™

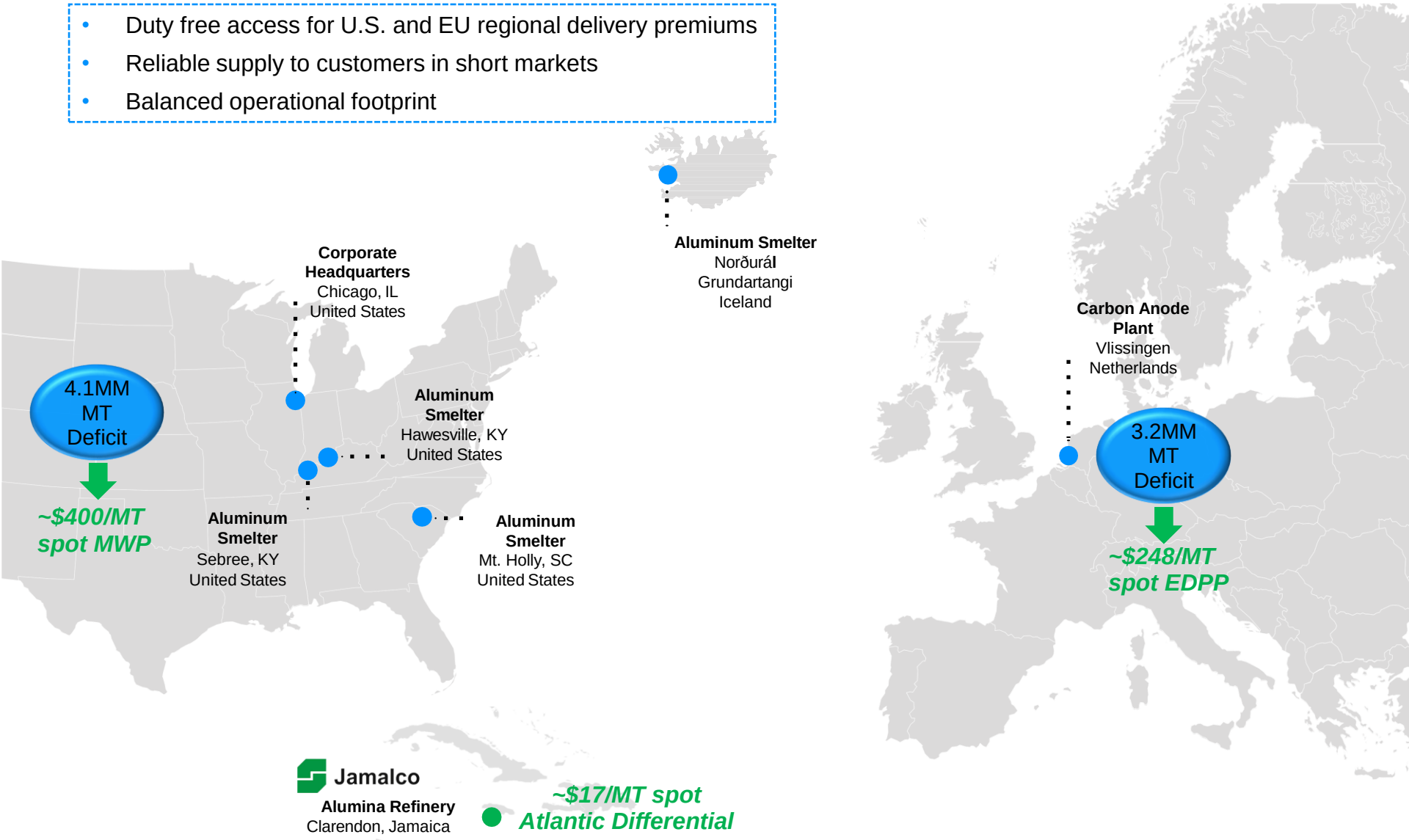
"Natur-Al™ products are made with energy from 100% renewable sources"

Low-Carbon Aluminum
Made in Iceland



Century Well Positioned for 2024 and Beyond

- Duty free access for U.S. and EU regional delivery premiums
- Reliable supply to customers in short markets
- Balanced operational footprint



1) Spot prices as of 2/16/2024

For Additional Information

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