CENTURY ALUMINUM COMPANY: 4th Quarter 2025 Earnings Call

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SPEAKERS

Jesse Gary, President, Chief Executive Officer & Director
Peter Trpkovski, Executive Vice President, Chief Financial Officer
Chad Rigg, Vice President, Finance and Treasurer

ANALYSTS

Katja Jancic, Analyst
Nick Giles, Analyst
Matthew Key, Analyst

PRESENTATION

Operator

Good afternoon. Thank you for attending the Century Aluminum Company Fourth Quarter 2025 Earnings Conference Call. My name is Matt, and I'll be your moderator for today's call. All lines will be muted during the presentation portion of the call with an opportunity for questions and answers at the end.
I'd now like to pass the conference over to our host, Chad Rigg, Vice President, Finance and Treasurer. Chad, please go ahead.

Chad Rigg

Thank you, operator.

Good afternoon, everyone, and welcome to the fourth quarter conference call. I'm joined here today by Jesse Gary, Century's President and Chief Executive Officer; and Peter Trpkovski, Executive Vice President and Chief Financial Officer. After our prepared comments, we will take your questions.

As a reminder, today's presentation is available on our website at www.centuryaluminum.com. We use our website as a means of disclosing material information about the company and for complying with Regulation FD.

Turning to slide 2. Please take a moment to review the cautionary statements with respect to forward-looking statements and non-GAAP financial measures in today's discussion.

And with that, I'll hand the call to Jesse.

Jesse E. Gary

Thanks, Chad. Thanks to everyone for joining.

I'll start today with a discussion of Century's leading position in the American aluminum market, including exciting developments on our Oklahoma smelter partnership with EGA and the redevelopment of the Hawesville site into an AI digital infrastructure campus. I'll then review our Q4 operational performance, including good news on the timing of the restart of Line 2 at Grundartangi, before concluding my initial remarks with a review of the outstanding global market conditions that we're operating in today. Pete will then walk you through our Q4 results and Q1 outlook, before I conclude the call with a discussion on the significant tailwinds we see for the company in 2026 including our Mt. Holly expansion project.

No company is more dedicated to US aluminum production than Century. Century is already the largest producer of aluminum in the United States, smelting nearly 60% of the country's primary aluminum, employing more American primary aluminum workers than any other company. And thanks to President Trump's leadership and the Section 232 program, we plan to invest billions more new and expanded production at Mt. Holly and our Oklahoma smelter project.

This has all been enabled by President Trump and the administration's policies, including the Section 232 program, which continues to be enforced with no exceptions and no exemptions. This sacred program has leveled the playing field for American aluminum producers and workers, and now, for the first time in a generation, it's leading to the reshoring of production of this critical mineral and a new modern smelter in Oklahoma. Century is grateful to President Trump for his leadership, and we intend to continue to invest in America as the largest supplier of this critical mineral in the United States for decades to come.

To this end, Century made substantial progress on our new smelter project in 2025, culminating in our recently announced partnership with EGA to build the first new smelter in the US in nearly 50 years. By combining efforts with EGA, we will pair Century's significant operating and supply chain expertise in the US with EGA's world-class expertise in aluminum smelting technology, construction and operation. As partners in the Oklahoma smelter, EGA will own 60% and Century will own 40%, and the project will benefit from a previously announced $500 million grant from the US Department of Energy.

The project recently retained Bechtel to complete the next stage of engineering work, which should enable final investment decision and groundbreaking by the end of the year. In addition, the Oklahoma smelter will be the first new smelter built with EGA's state-of-the-art EX smelting technology, which will integrate cutting-edge Industry 4.0 and AI applications into the design and operation of the smelter and is expected to improve production capacity by over 20% from previous technology. This has allowed us to increase the expected size of the smelter to 750,000 metric tons, which alone will more than double total US aluminum production and expand Century's position as the largest American producer. Truly, once built, the Oklahoma smelter will be amongst the most efficient and advanced in the world and a crown jewel of the US industrial base.

We were also very pleased earlier this month to announce the sale and redevelopment of the Hawesville site into a digital infrastructure campus supporting high-performance computing and artificial intelligence workloads by TeraWulf. This is an excellent result for the site and the community, which will benefit from the significant investment in job creation that will come from the data center development. Under the terms of the transaction, Century received $200 million in cash and 6.8% interest in the completed data center. We are very glad to retain this stake in the future of the Hawesville site, which will allow us to participate in the value creation of a cutting-edge AI data center with ready access to 482 megawatts of immediately

available power.

The speed to power possibilities of the site have driven lots of immediate demand from hyperscalers and should drive desirable lease rates for the site, and TeraWulf has indicated it could have the data center online by the second half of 2027. We are confident that this equity stake should provide returns well in excess of the initial cash payment. Our 6.8% interest does not require any additional funding toward the multi-billion-dollar data center buildout and we have the right to put our interest to TeraWulf on the first anniversary of data center operations commencing, providing a certainty of exit, should we so choose.

Turning to page 4 and operations, we saw excellent performance across our smelter assets in the fourth quarter with Grundartangi quickly and safely restoring stability following the outage of potline 2 and Mt. Holly returning to the strong performance we've come to expect from the plant.

I would like to take a specific moment to commend the team at Sebree who battled through some tough weather in the fourth quarter to conclude a record year for the smelter across a suite of KPIs and profitability metrics. To be able to achieve record performance after 50 years of operations is a testament to client management and our entire workforce at Sebree. Congratulations to all.

At Jamalco, as everyone knows, in late October, Hurricane Melissa made landfall in Jamaica as a Category 5 hurricane. Our team did a good job preparing the plant, which included exercising their precautionary shutdown procedures ahead of the storm. This preparedness paid off as the refinery made it through the storm without significant damage and without suffering a single injury. Following the storm, the plant was able to quickly restart basic operations. Damage to the broader Jamaican grid, however, did create significant instability in the supply of electrical power to the refinery, including lengthy periods where the refinery was without external power at all. This instability in electrical supply led to higher than expected costs in November and December and lower production volumes from a number of outages and a slower return to full capacity. Good news is the refinery is now well on its way to full and stable production.

Importantly, at Jamalco, we are also nearing completion of our first major capital improvement project at the plant with the installation of our new onsite power generation turbine known as TG4 on track to be completed in April. Once completed, TG4 will enable us to run the refinery with entirely self-generated energy eliminating expensive purchases from the Jamaican grid and allowing us to run the entire refinery independently. The completion of TG4, which will gradually ramp up over the second quarter, will substantially lower the cost structure of the refinery and is a big part of our overall goal of returning the refinery to the second quartile of the global cost curve. Nice job to the Jamalco team on keeping this project safe and on track despite the hurricane.

Turning to Iceland, we have good news to report at Grundartangi, where our global team is working tirelessly to return the smelter to full production much faster than originally anticipated. As we announced in October, the Grundartangi smelter was forced to temporarily stop production in potline 2 following the failure of three of its electrical transformers. And the timeline for restart was dependent on how quickly replacement transformers could be manufactured, shipped and installed at Grundartangi.

With global supply chain for transformers stressed by the unprecedented demand from global data center construction, we continue to expect it will take until Q4 of this year for the new replacement transformers to be installed. The replacement transformers have all been ordered and are being manufactured now. The good news here is we now expect that we'll be able to repair some of the damaged transformers and begin to restart Line 2 at the end of April, about six months sooner than originally anticipated.

We're still trying to install the new replacement transformers once they are completed, but we are confident that the repaired transformers will allow us to return the line to close to full production in the interim. While we will be conservative in the ramp-up plans and operations to avoid undue stress on the repaired transformers, we expect that Line 2 and Grundartangi as a whole will return to close to full production by the end of July. This schedule and our anticipated production is included in our full year volume guidance shown on page 12.

Finally, our insurers have now confirmed coverage from the event and the subsequent business interruption as we anticipated. We have recently received our first payment under these insurance policies, and we expect to receive additional payments under the policies on a lag as the claim is processed month by month through the end of the year. We will keep you updated as the cash comes in.

If you turn to page 5, let's take a minute to review the excellent market conditions that we find ourselves in before I turn it over to Pete. Aluminum prices continue to rise in Q4 and into Q1 as global demand growth paired with the persistently challenged supply side drove aluminum prices to a four-year high of $3,325 in January, with spot prices today of approximately $3,100. The concurrent rally in copper and other industrial metals are providing additional support to the aluminum price rally.

As you can see on page 6, we continue to project global deficits of aluminum units in 2026, driving further contraction of global inventories to another post financial crisis low and leaving the market exposed to further supply disruptions. A good example of the supply side challenges is the recent confirmation that the 580,000 metric ton Mozal smelter in Mozambique will curtail full operations in March, causing a further drop in global inventories in order to replace those units in the market.

The Mozal closure is likely to have the largest impact on the European regional premium as it is one of the largest suppliers of low-carbon aluminum to continental Europe. Mozal like Grundartangi benefits from tariff-free access to the EU market. The replacement units will likely need to be sourced from tariffed countries putting further upward pressure on EU duty-paid premium and providing a benefit to other European producers like Grundartangi. The European premium has already begun rising following the initial implementation of Europe's Carbon Border Adjustment Tax, otherwise known as CBAM.

In the US, the increasing strength of the US economy, as demonstrated by strong industrial manufacturing activity and end-user demand and improving building and construction data, has continued to drive the Midwest premium higher in Q4 and into Q1. Power and data infrastructure buildout should continue to drive additional aluminum demand in both the US and globally. Midwest and European spot premiums have climbed to $1.4 per pound and $365 per tonne, respectively, as of today.

Pete will now take you through our financial performance before Q1 and full year outlook.

Peter A. Trpkovski

Thank you, Jesse.

I will start by outlining our year-end financial results and cash flow. I'll then address the timing of cash flows from the business interruption losses in Iceland, followed by a discussion of proceeds from Hawesville, including our joint venture stake in the new data center project. Finally, I'll provide our Q1 outlook and highlight key expectations for the full year 2026.
Let's turn to slide 8 and review our Q4 performance. On a consolidated basis, fourth quarter shipments totaled approximately 140,000 tonnes, a decrease from the prior quarter due to the line loss in Iceland. Net sales for the quarter were $634 million, a $2 million increase sequentially, primarily due to higher realized LME and Midwest premium, partially offset by lower shipments. For the quarter, we reported net income of $1.8 million or $0.02 per share.
Our adjusted net income was $128 million or $1.25 per share excluding exceptional items. Exceptional items mainly comprise of adjustments for share-based compensation, unrealized losses on derivative contracts, business interruption losses in Iceland and the impact of Hurricane Melissa in Jamaica.

Adjusted EBITDA for the quarter was $171 million, primarily attributable to higher LME and regional premiums, as well as improved operating expenses and increased volume at Mt. Holly from Q3 levels.

During the quarter, we continued to strengthen our balance sheet. We ended the period with a cash balance of $134 million. As previously communicated, the proceeds from the refinancing of senior notes were utilized to fully repay the remaining Iceland casthouse facility debt in Q4, further simplifying our capital structure and reducing net debt to $421 million.

Now, let's turn to page 9 and I'll provide a breakdown of adjusted EBITDA results from Q3 to Q4. Adjusted EBITDA for the fourth quarter increased $70 million to $171 million. Realized LME of $2,615 per tonne was up $105 versus prior quarter. Realized US Midwest premium of $0.80 a pound or $1,775 per tonne was up $350 and higher European premium was up $35 per tonne to $230. Taken together, LME and regional premium pricing contributed an incremental $59 million compared with the prior quarter.

Energy costs were flat in Q4 as anticipated. Alumina and our other key raw materials were in line with our previously provided outlook. As mentioned on our last call, improved operational performance at Mt. Holly increased volume and lowered operating costs improving adjusted EBITDA by $10 million and $5 million, respectively, compared to Q3.

Now, let's turn to slide 10 for a look at cash flow. We began the quarter with $151 million in cash. During the fourth quarter, we generated operating cash flow of $117 million and received our 45X check for fiscal year 2024 in the amount of $75 million, as mentioned on our last call. We continue to accrue 45X tax credits. As of December 31, we have a receivable of $173 million related to full year 2023 and 2025 US production. We expect to receive the majority of this credit in cash shortly after our tax filing sometime in Q2.

During the fourth quarter, we reduced net debt by $54 million. This reduction was primarily

due to the repayment of the outstanding Iceland casthouse notes, partially offset by the mismatch in timing from lost margin (00:17:23) at Grundartangi. The Iceland revolver draw reflects increased working capital needs as business interruption losses started to accumulate when the Grundartangi line went down in late October. As Jesse mentioned, we now have confirmation of coverage from our insurers at Grundartangi and we will have received a reimbursement of close to $14 million (00:17:48) in Q1. We expect to receive insurance reimbursements on about a one to two quarter lag from our realized business interruption losses. We funded $34 million of capital expenditures in the quarter that went towards the new power generator and other ongoing investments at Jamalco, the initial payments for new replacement transformers in Iceland, as well as sustaining CapEx at the smelters. We had $15 million in hedge settlements during the quarter. At yearend, the company paid $18 million in withholding taxes on share-based compensation. Finally, we had a working capital build this quarter due to the timing of LME-linked alumina shipments.

We ended Q4 with $134 million in cash and strong liquidity in place to support our continued focus on restarting idled capacity at Mt. Holly to increase US aluminum production by 10%. As Jesse mentioned, we made good progress in Q4 on planning the restart of Line 2 at Grundartangi where, amongst other things, we ordered three new transformers to replace the failed units.

The cash flow timing mismatch from Grundartangi restart spend and lost margin (00:19:20) in Q4 and the insurance recoveries received in Q1 left us short of our capital allocation target at year-end. We are on track to exceed those capital allocation targets in Q1 and we would expect to come back to you on our Q1 call with detail on our go-forward capital allocation plans in line with the guidance Jesse shared with you all on our Q3 call.

Our year-end cash does not include the $200 million from the recent sale of Hawesville, which closed in February. In addition, we retained a 6.8% non-dilutive stake in the fully completed data center at the site. Based on current lease pricing, TeraWulf's operating margins for data center, co-location facilities and prevailing sector valuation multiples, we believe our 6.8% interest is worth well in excess of our initial cash proceeds. Importantly, Century has no obligation to fund development costs at Hawesville.

Now, let's turn to slide 11 and look ahead to the next 90 days. For Q1, the lagged LME of $2,850 per tonne is expected to be up about $230 versus Q4 realized prices. The Q1 lagged US Midwest premium of $2,140 per tonne or about $0.97 per pound is up $365 per tonne versus Q4. The European duty-paid premium is expected to be about $315 per tonne in Q1 or up about $80. Taken together, the lagged LME and delivery premium changes are expected to have a $70 million to $80 million increase to Q1 adjusted EBITDA when compared with Q4 levels.

Partially offsetting improved revenues was a temporary US energy price spike that lasted about two weeks from Winter Storm Fern that impacted prices at Sebree. This approximate two-week impact had a $20 million adjusted EBITDA headwind as Sebree. As a reminder, we do have financial hedges that sit below the line (00:21:52) adjusted EBITDA that will have a cash settlement. For Q1, we had hedged approximately 25% of our Indiana Hub exposure. Thus, the net cash impact of this two-week impact is approximately $15 million after considering $5 million of positive hedge settlements. Temperatures have now improved across the Midwest and energy prices have already returned to historical levels.

Looking at our raw materials, we continue to see moderate increases in our coke, pitch and caustic prices. Taken together, we see a small headwind of about zero to $5 million sequentially. We expect OpEx to be a headwind of zero to $5 million into Q1 as we prepare to bring back all of our idled production in Q2. Volume and sales mix should also improve by $5 million as our new sales contracts begin to reflect an uplift in billet cells as indicated on our last call. All told, at expected realized prices, we expect Q1 adjusted EBITDA in the range of $215 million to $235 million.

Consistent with prior practice, we also include the estimated hedge and tax impacts to help model our business at the bottom of the page. We expect a $10 million to $15 million headwind from realized hedge settlements and a zero to $5 million tax expense, both flowing through our Q1 P&L and impacting adjusted net income and adjusted earnings per share. Our appendix details the full hedge book and continues to show the vast majority of LME and regional premium volumes are exposed to market prices.

Finally, before I hand it back to Jesse, I'd like to walk through our fiscal year 2026 outlook, which is summarized on page 12. We expect to ship approximately 630,000 tonnes of primary aluminum this year. This reflects the partial impact of restarting the remaining 90 pots at Mt. Holly and bringing back Line 2 at Grundartangi earlier than previously anticipated. Once completed, our total annualized production levels would be closer to 750,000 tonnes per year. Turning to capital spending, we expect total CapEx for the year in the range of $115 million to $125 million for both sustaining and investment. This includes $45 million to bring back the last 90 pots at Mt. Holly. This does not include the investment in transformer replacements at Iceland as this capital is expected to be largely offset by insurance proceeds' net applicable deductibles.

Across our portfolio, we are making positive, high-return investments to improve the performance and profitability of our asset base, including growing production at Mt. Holly and continuing to lower the cost structure of our Jamalco investment. Finally, we expect cash interest to decline in 2026, reflecting lower coupon on our senior notes and simplified capital structure.

And with that, I'll hand the call back to Jesse.

Jesse E. Gary

Thanks, Pete.

Century has an exciting 2026 ahead of us. Strong demand conditions, combined with fundamentally short US and European markets, have created large global aluminum deficits and historically-low inventory levels. This environment creates a unique opportunity for Century to be able to add production in a market that is otherwise becoming increasingly short. In Europe, our improved restart timeline in Iceland should enable Grundartangi to supply additional metal units into a rising EDPP environment caused by the initial implementation of CBAM and production shortfalls in Mozambique and elsewhere. In the US, our Mt. Holly restart project is on track to increase US aluminum production by nearly 10% in 2026. The project is progressing on time and on budget and we expect to begin restarting production in April and to be complete by the end of June. We've already hired over 100 incremental workers who are undergoing training to support the additional production and preparation in the potlines

and other areas of the plant are well advanced.

Combined with our Oklahoma smelter project, no one is investing more in American primary aluminum than Century. We are proud to follow President Trump's lead and to do our part to reindustrialize the US and restore American aluminum expertise and support American workers. It's hard not to peak forward to this summer where for the first time in over a decade, all of Century's assets will be operating at full production capacity. These units have never been more needed and valuable than in today's resource constrained world.

Our new and existing production will benefit from strong spot aluminum prices falling through our contractual lags, driving higher realized prices than we have seen at any point in 2025 or year-to-date. At the same time, our total cost structure should be improved as the addition of the TG4 power turbine at Jamalco will be complete, lowering Jamalco energy costs and US power prices should have returned to normal following Winter Storm Fern. 2026 is setting up to be a historic year for Century and we are laser focused on execution to benefit from the opportunities that are in front of us.

Thanks for your time and we look forward to taking your questions today.

QUESTION AND ANSWER SECTION

Operator

First question is from the line of Nick Giles with B. Riley. Your line is now open.

Nick Giles: Yeah. Thanks very much, operator. Guys, congrats on getting the Hawesville done, deal with a leading player like TeraWulf. That was really good to see. My first question, maybe just a clarifying one, the Q1 guide, $215 million to $235 million, that does add back to EBITDA that would have been recognized from Grundartangi. Correct?

Peter Trpkovski: Hey, Nick, it's Pete. That's correct. Similar to how we did on the last call, we are adding back the lost margin at Grundartangi and including that here in our guide. So no further adjustments are required.

Nick Giles: Okay. Great. Great. Appreciate that. Maybe a broader question. Metal tariffs seem well intact here, Midwest premium remains at record highs. So it's nice to see you guys continue to benefit from this. But investors really have varying views of whether tariffs hold, where MWP goes. So my question is, can you just give us a sense of earnings power, not only in the current environment, but maybe other price environments and what this means for your capital allocation approach?

Peter Trpkovski: Yeah. Thanks, Nick. It's Pete again. And that's a great question. As we did on page 11, we gave you what that $215 million to $235 million gets you from a realized price perspective. And you may have saw in our appendix on page 18, we included our sensitivities for the major inputs for our business. But just the quick highlights to point out, again, referencing page 11, if you look at our realized LME in that guide of $2,850 per tonne and you sort of mark it to spot price, today LME is around $3,100 a tonne, that's about a $250 per tonne increase and you can use a sensitivity to see what that mark is.

And continuing on the revenue side, Midwest, again, we use $0.97 per pound in our guide on a realized basis, today it's about $1.04 per pound and that increase will also equate to uplift in Midwest. And there is a little bit of uptick in EDPP, the European duty-paid premium. We use the $315 for our expectation on the guide. I think spot price today is around $365 per tonne, so that's another $50 per tonne. So for the three major revenue components, again, if you took our midpoint of our guide of $225 million, I think that's just a little bit over $50 million of uplift when you mark the three revenue components to spot. And then don't forget, we had the Winter Storm Fern impact in the first quarter, already behind us with temperatures already moderating. But as you see here again on page 11, we had an Indiana Hub for Sebree power price of around $69 estimated. I think if you look at where we are today, it's February 19, we have a good idea where we are in Q1 and just assume forward for the balance of Q1 and maybe before price looking into Q2, it's about $40 on the screen. So that's about a $30 improvement in Indiana Hub power price. And that sensitivity is going to be just over $20 million.

So, sorry, long winded answer, but just to sum it up for you, in revenue and in power combined, that's about a $75 million uplift from our midpoint, if you're taking the guide of $225 million to spot.

Nick Giles: Pete, that's super helpful. I really appreciate that. Maybe my next question, just you're making progress in Oklahoma. Good to hear Bechtel is involved. Obviously, one of the key aspects will be an energy contract. I think, in your initial press release, you used the word progressing. So just curious if there's anything you can share on that front? How would you expect that asset to compare to energy costs in the rest of your portfolio? Anything you can add on that process would be really helpful.

Jesse E. Gary: Sure. Hey, Nick, it's Jesse. And obviously, we're super excited about the Oklahoma project. Super excited to be joining with EGA in that joint venture and really think there's a bright future ahead for that project and what's to come. As we mentioned, we are working on finalizing that power contract with EGA and with PSO, who is the power provider, utility in that region and we've been engaged, making good progress. There's a lot of support from the State, including from Governor Stitt. And so we just really need to do the work there and get where we need to be.

Then in terms of where we end up on the pricing side and not going to give any guidance there, but what I will say is, obviously, for an investment of this size, that power contract needs to be enabling and attractive to make sure that we can get the return on the investment that's required and that's obviously a key aspect for us and something that we're driving towards with PSO.

Nick Giles: Got it. Well, Jesse, that's good to hear. Okay, I have more, but I'll turn over for now. Thanks a lot

Jesse Gary: Thanks, Nick.

Operator
Thank you for your question. Next question is from the line of Katja Jancic with BMO. Your line is now open.

Katja Jancic: Hi. Thank you for taking my questions. Maybe starting on the new smelter, so when you look ahead, what are some of the next milestones beyond the power contracts that

we should be looking out for?

Jesse E. Gary: Sure, Katja. Thanks. So, as I said, working with EGA and as we recently announced, we've hired Bechtel to do the engineering work there. So next steps are finalize that power contract, work with Bechtel to finish the next stage of engineering work, finalize our cost and CapEx structure and, as you might imagine, there's a number of other work streams there. But those are the really the big ones, finalizing that power contract, working through the final stages in engineering work, making some progress on the financing for the project and working towards making a final investment decision in Q4 of this year.

Katja Jancic: And regarding financing options, are you in any discussions potentially with the government to get – or do you qualify for any government type of project level finance beyond the DOE money that you got?

Jesse E. Gary: There are a number of financing options available to us, Katja, some of which are potentially available from the government. So we're working down all of those paths simultaneously to find whatever is the most attractive package. But we are excited about the various different options outstanding. We do think they will be attractive in the end. And we just need to do the work to bring those to fruition.

Katja Jancic: Maybe just one quick one, I don't know if I missed this, but did you tell us what the assumed margin loss in first Q is for the Iceland in the guidance?

Peter Trpkovski: Hi, Katja. No, I didn't say the number specifically. But as you recall (00:36:54) you saw in the cash flow walk, we had a lost margin (00:36:56) of $40 million to $50 million in the fourth quarter. And the prices continue to rise higher. That could have an impact on that number. So no specific guidance on that, but we're just maybe looking at price changes quarter-to-quarter.

And just a reminder, Katja, that we did start to get the insurance proceeds to offset that lack of cash margin in the quarter. So we will have the cash in the first quarter, sort of lines up nicely with the Q4 lost margin (00:37:30). And as I said on the call earlier, continue to expect those insurance proceeds to come sort of on a one to two-quarter lag basis.

Katja Jancic: Okay. Thank you.

Peter Trpkovski: Thanks, Katja.

Operator
Thank you for your question. Next question is from the line of Matthew Key with Texas Capital. Your line is now open.

Matthew Key: All right. Good afternoon and thanks for taking my questions. Wanted to touch on the outage at Iceland. What type of capacity utilization should we be expecting over the first half of 2026 kind of while we wait for the new transformers? I'm just trying to get a sense for shipment cadence out of there.

Jesse E. Gary: Yeah. So until that Line 2 comes back up, you're looking right now Line 1, it's producing about a third of the overall Grundartangi volume. So if you just take our normal run

rate of 315,000 tonnes to 320,000 tonnes, take that as a third, that's about what we're getting out of Iceland until Line 2 is back up and running.

And then also just keep in mind, in Q2, we're going to be restarting those additional Mt. Holly tonnes. And so those will come on over the course of that quarter returning that plant to full production. So really, if you take both Grundartangi and Mt. Holly, take this off to with restart at Mt. Holly into June, we expect Grundartangi end of July, we should be entering August running at full production, 100% utilization capacity across the smelters.

Matthew Key: Got it. Okay. That's helpful. And Jesse, in regards to the sale of Hawesville and the put option on that data center ownership, do you expect to utilize that ownership or that put option for the ownership to fund the new smelter? Or should we be thinking of that as more of a long-term investment for the company? Based on the timing of when both of those projects are expected to come online, I imagine it'd be pretty tight window there. But just wanted to get your thoughts on that.

Jesse E. Gary: Yeah, Matt. I think that it does provide a great liquidity option for us and certainty that we will be able to exit, should we so choose. But as you can see, and even just using the walk that Pete just did marking our current outlook to spot, we will be generating significant EBITDA and cash flow just from the regular operation of the business and that should be more than sufficient to cover any financing needs that we need for the new Oklahoma smelter over this time period. But so we will just continue then to maximize the value of that Hawesville stake in whatever format it needs to be. But the put option is nice because it does give us certainty of exit, should we so wish.

We actually are very hopeful that stake, it's going to be quite valuable and we will continue to either hold that if that's what makes the most sense, or we can look to sell, or exit to a third party as well, if that happens to make sense. So we'll just value maximize there over time. But we're excited to own it. I think it's a great way for us to stay and participant in Hawesville and also should hopefully create a lot of value for shareholders.

Matthew Key: Got it. Well, I appreciate the time and best of luck moving forward.

Jesse E. Gary: Thanks.

Operator
Thank you for your question. Next question is a follow-up from Nick Giles. Your line is now open.

Nick Giles: Hey, guys. Thanks for taking my follow-up. Just Jesse on the point of when you start to annualize the Q1 guide, it is a significant amount of EBITDA and cash flow. I know there's a lot of noise in the cash flow statement this year with all that's happening. But you're not really going to be spending a lot of the cash in Oklahoma until, I assume, 2027 at the earliest. So what do you plan to do with the cash in the meantime? Would you be willing to pay down incremental debt between now and then? Would shareholder returns be on the table? Just appreciate any commentary around timing.

Jesse E. Gary: Sure, Nick. Thanks. Great question. And, obviously, on slide 22 of the appendix, we do have our capital allocation slide and you have our capital allocation targets.

Now, as Pete mentioned, in Q1, we should achieve those targets. And as you just said, we should be generating significant cash flow. So we always have the capability to pay down debt and we'll run down and continue to fund our organic CapEx as we have those opportunities. Good examples there, Mt. Holly restart, or TG4 at Jamalco and we'll continue to be opportunistic when looking at M&A. And then if we do have cash leftover, we will look at returns to shareholders and as I laid out on our Q3 call to give you some idea of the type of returns that we might be looking at.

Nick Giles: Awesome. Awesome. That's good to hear. Let me just, one more while I have you, I'm sure it's more obvious to others than it is to me, but can you just talk about the logical alumina supply for Oklahoma or just kind of remind us what type of excess capacity that you have at your disposal? And we can make our assumptions about where that would go.

Jesse E. Gary: Sure. As you know, our current book consists of our own production out of Jamalco, which is a great refinery, great quality of alumina. And so that would be one source that's available. We're also the largest customer of the Gramercy refinery in Louisiana, and we have a number of third-party contracts that we source alumina from. So all of those are potential sources for the new smelter. And we'll work with EGA to determine the best source for the new EX technology there and make sure we're running alumina sources through that, maximize value of that really high caliber technology we're installing in Oklahoma. But basically, to answer your question, Nick, I think there's a number of sources that should be available, including sources within our own control.

Nick Giles: Great. Well, guys, again, appreciate the update and keep up the good work.

Jesse E. Gary: Thanks, Nick.

Operator
Thank you for your question. There are currently no further questions registered. There are no additional questions waiting at this time, so I'll pass the call back to the management team for any closing remarks.

Jesse E. Gary: Thanks everyone for joining. Super excited about what 2026 holds for Century and look forward to talking to you all again on the Q1 call. Thanks a lot. Bye.

Operator
That concludes the conference call. Thank you for your participation. You may now disconnect your lines.