Century ALUMINUM




Century Aluminum Company

2nd Quarter Earnings Call

August 9, 2023

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: our assessment of global and local financial and economic conditions; our assessment of the aluminum market and aluminum prices (including premiums); our assessment of alumina pricing, the outlook on when energy prices, both in the United States and Europe, may return to more normalized levels, 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), and the likelihood and extent of any power curtailments; our assessment of power prices and availability for our U.S. and European operations; the impact of the COVID-19 pandemic, and governmental guidance and regulations aimed at addressing the pandemic, including any possible impact on our business, operations, financial condition, results of operation, global supply chains or workforce; the impact of the war in Ukraine, including any sanctions and/or 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; the impact of 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 or any changes in interpretation of existing laws or regulations; our anticipated tax liabilities, benefits or refunds including the realization of U.S. and certain foreign deferred tax assets and liabilities; 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; our assessment and estimates of our pension and other postretirement liabilities, legal and environmental liabilities and other contingent liabilities; our assessment of any future tax audits or insurance claims and their respective outcomes; negotiations with current labor unions or future representation by a union of our employees; our assessment of any information technology related risks, including the risk from cyberattacks or other data security breaches, including the cybersecurity incident that occurred on February 16, 2022; Our plans and expectations regarding potential M&A including our ability to consummate such transactions and our assessments of certain risks associated with the same, including, for example, unforeseen costs and expenses associated with unidentified liabilities, and difficulties integrating an acquired asset into our existing operations; 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, 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 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. 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

- 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

- China capacity restarts in Yunnan; offline capacity in EU remains curtailed
- Global inventories remain at historical lows, conducive for higher LME prices once demand rebounds
- Cost inputs coming down across all key raw materials

Costs

- Indiana Hub prices QTD ~$36/MWh; down > 50% from prior year
- Nord Pool prices QTD ~$35/MWh; hedged 95% at $30/MWh
- Coke prices QTD ~$550/MT U.S. Gulf FOB basis; down ~20% from prior year
- Caustic Soda, Nat Gas, and HFO prices down > 30% from prior year

Operations

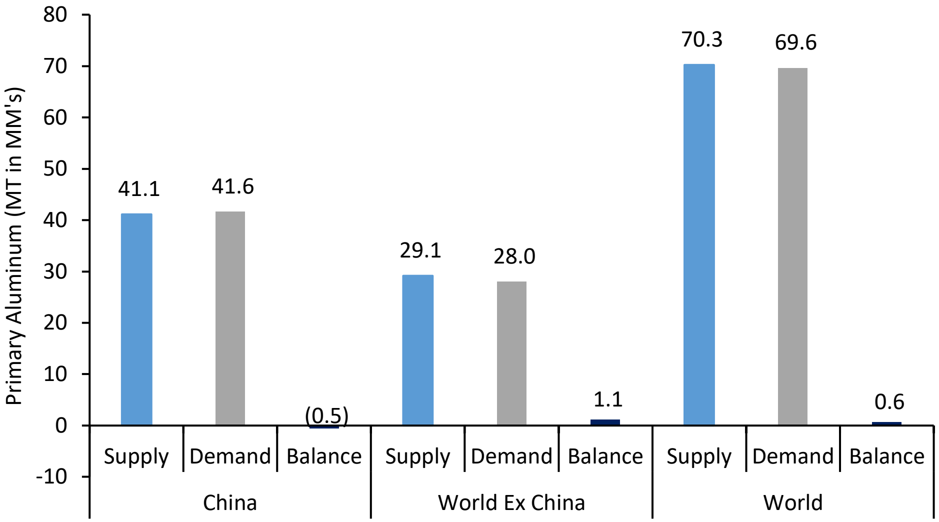
- All smelters operating at their targeted utilization levels and performing well
- Efficiently integrated Jamalco refinery within Century supply chain
- Jamalco suffered a weather-related disruption in June; returned to targeted production levels by end of Q2

Financial

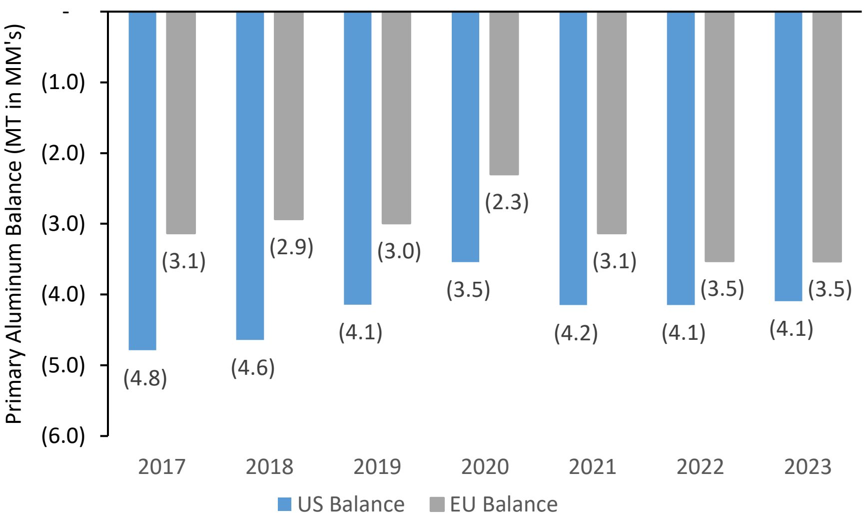
- Q223 Adjusted EBITDA attributable to Century of $30MM
- Strong liquidity of $231MM

Industry Environment

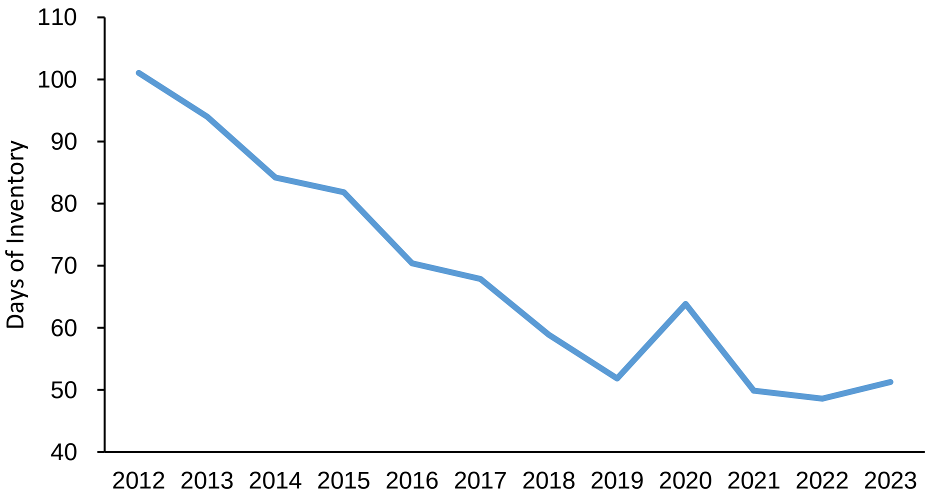
Aluminum Supply and Demand Balance – FY23



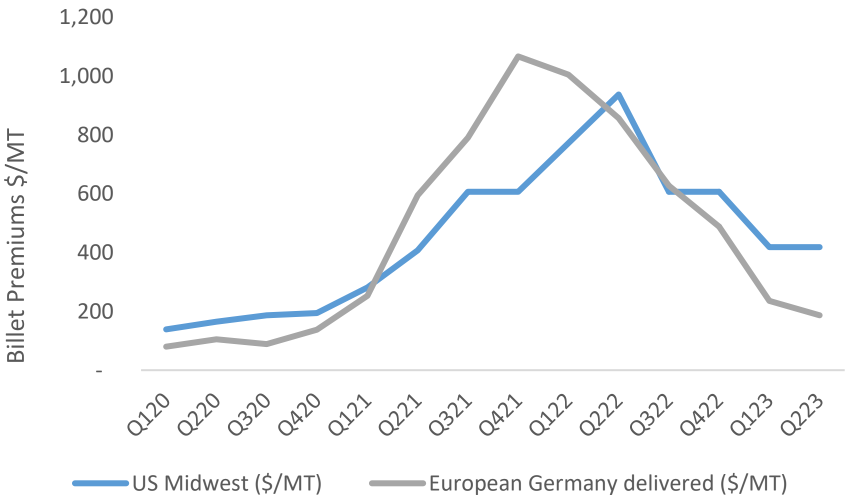
Primary Aluminum Balance – US and EU



Global Inventory Days of Primary Aluminum Consumption



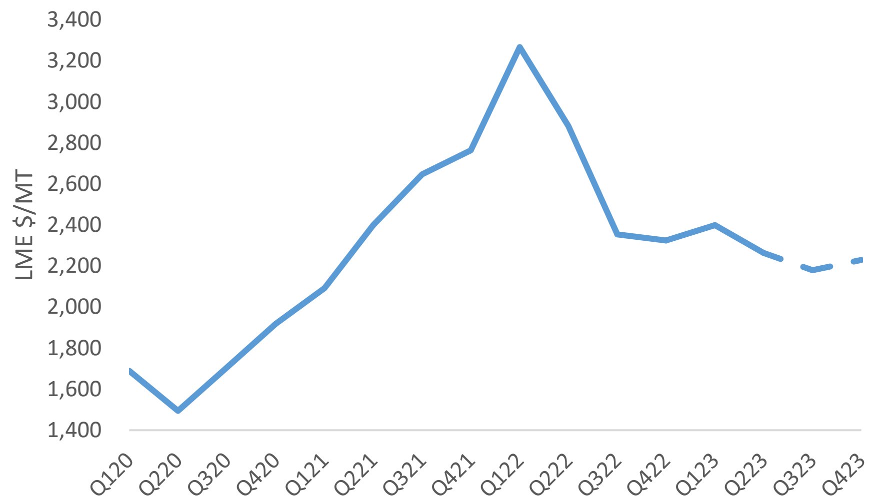
Billet Premiums – Upcharge



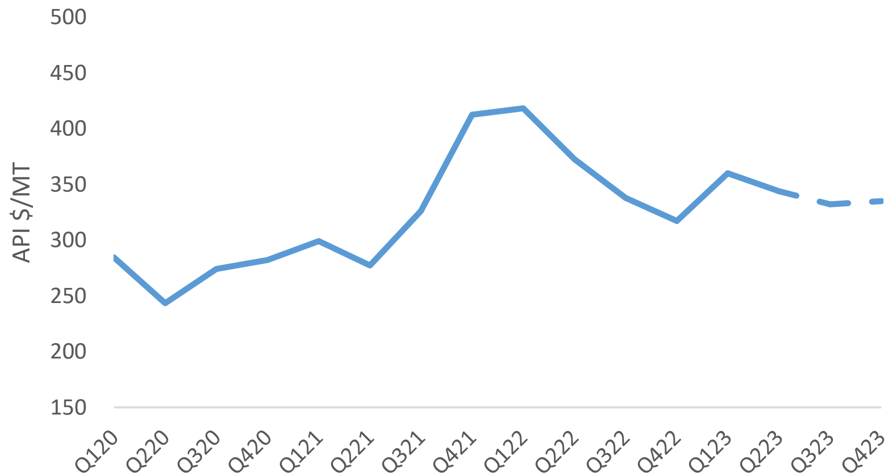
1) Source: CRU Group, Century Aluminum Company

Industry Environment

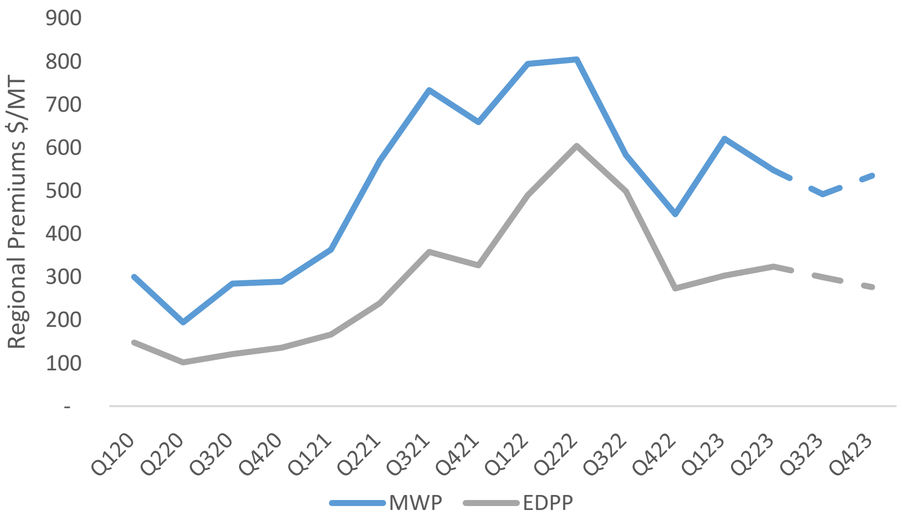
LME Aluminum



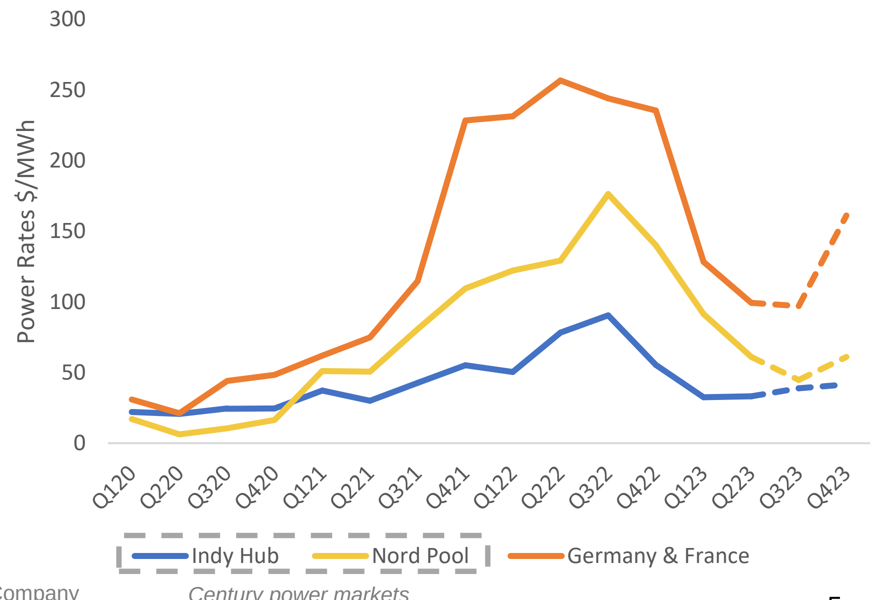
Alumina Price Index



Regional Premiums



Power Actuals and Forwards

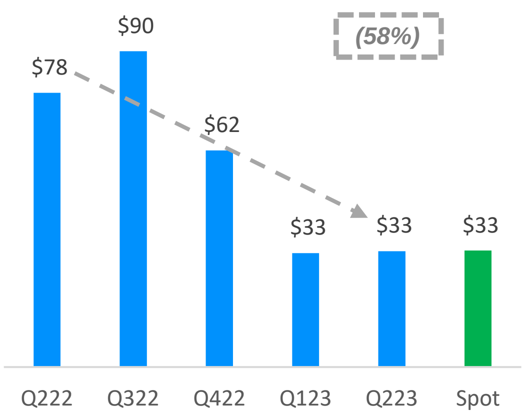


1) Source: CRU Group, Century Aluminum Company

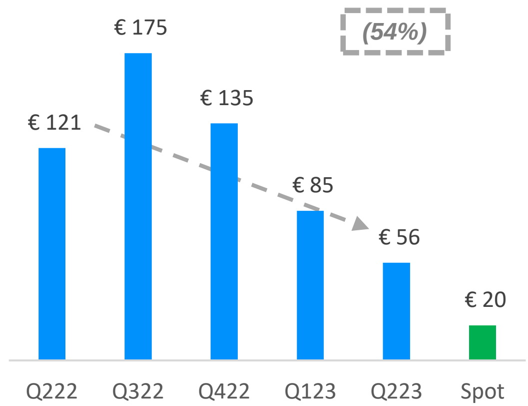
Industry Environment

Smelter Input Prices

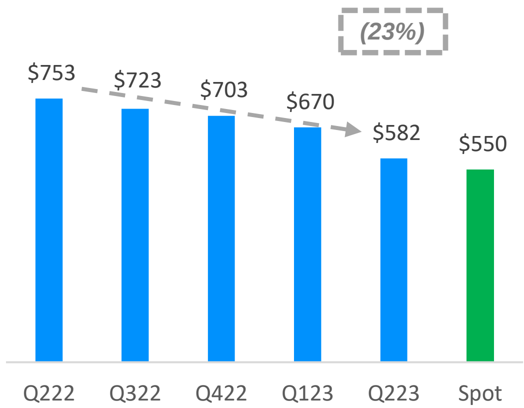
Indy Hub $/MWh



Nord Pool €/MWh

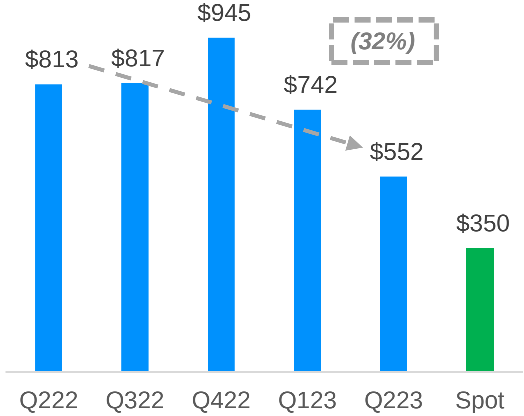


Coke $/MT

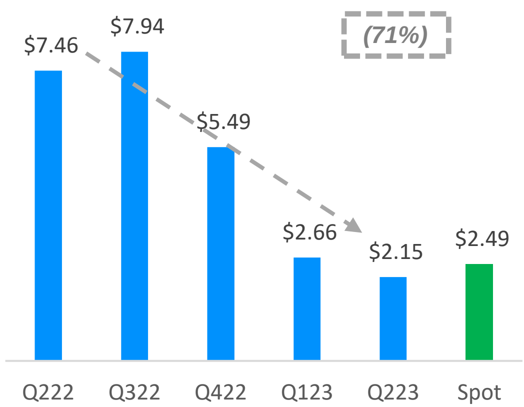


Refinery Input Prices

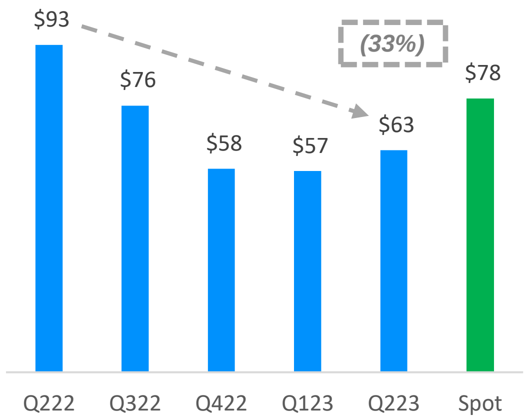
Caustic $/MT



Henry Hub $/mmbtu



HFO $/bbl



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1) Source: CRU Group, Platts, Century Aluminum Company
2) Prices as of 8/7/2023

Summary of Financial Results

($MM, except per share and tonne amounts)	Q123	Q223
Income statement		
Aluminum shipments (tonnes)	181,165	173,649
Net sales	$ 552	$ 576
Net (loss) income attributable to Century stockholders	(39)	8
Diluted (loss) income per share attributable to Century stockholders	(0.42)	0.07
Adjusted net (loss) income attributable to Century stockholders[1]	(11)	16
Adjusted (loss) income per share attributable to Century stockholders[1]	(0.11)	0.16
Adjusted EBITDA attributable to Century stockholders[1]	24	30
Liquidity		
Cash	$ 30	$ 51
Credit facility availability	211	181
Total	$ 241	$ 231
Total debt[2]	$ 524	$ 558
Net debt[3]	493	507

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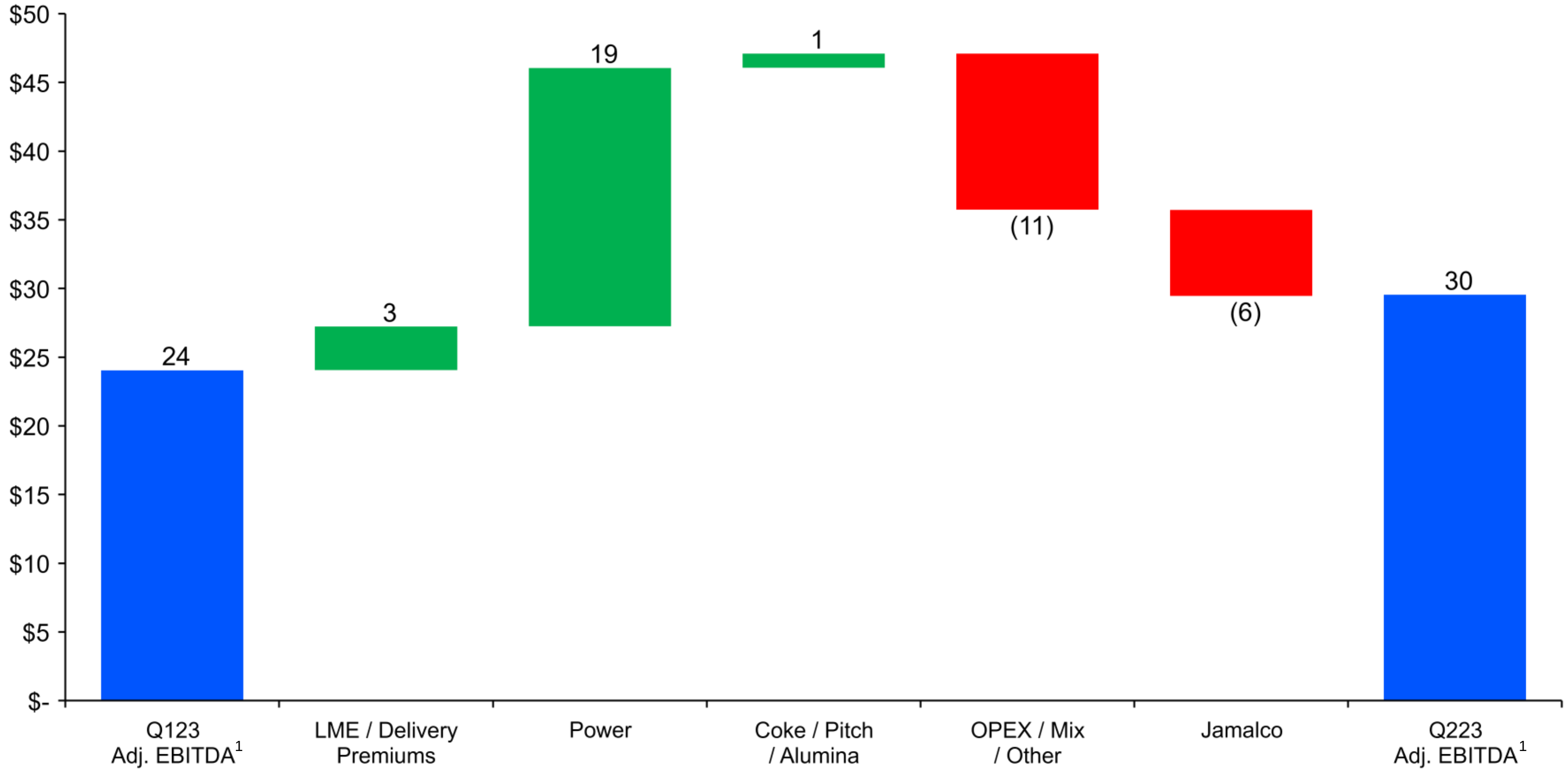
1) See reconciliation to comparable GAAP financial measure in appendix
2) Principal amount
3) Net debt is a non-GAAP financial measure equal to total debt minus cash

Financial Results

Q123 vs. Q223 Adjusted EBITDA

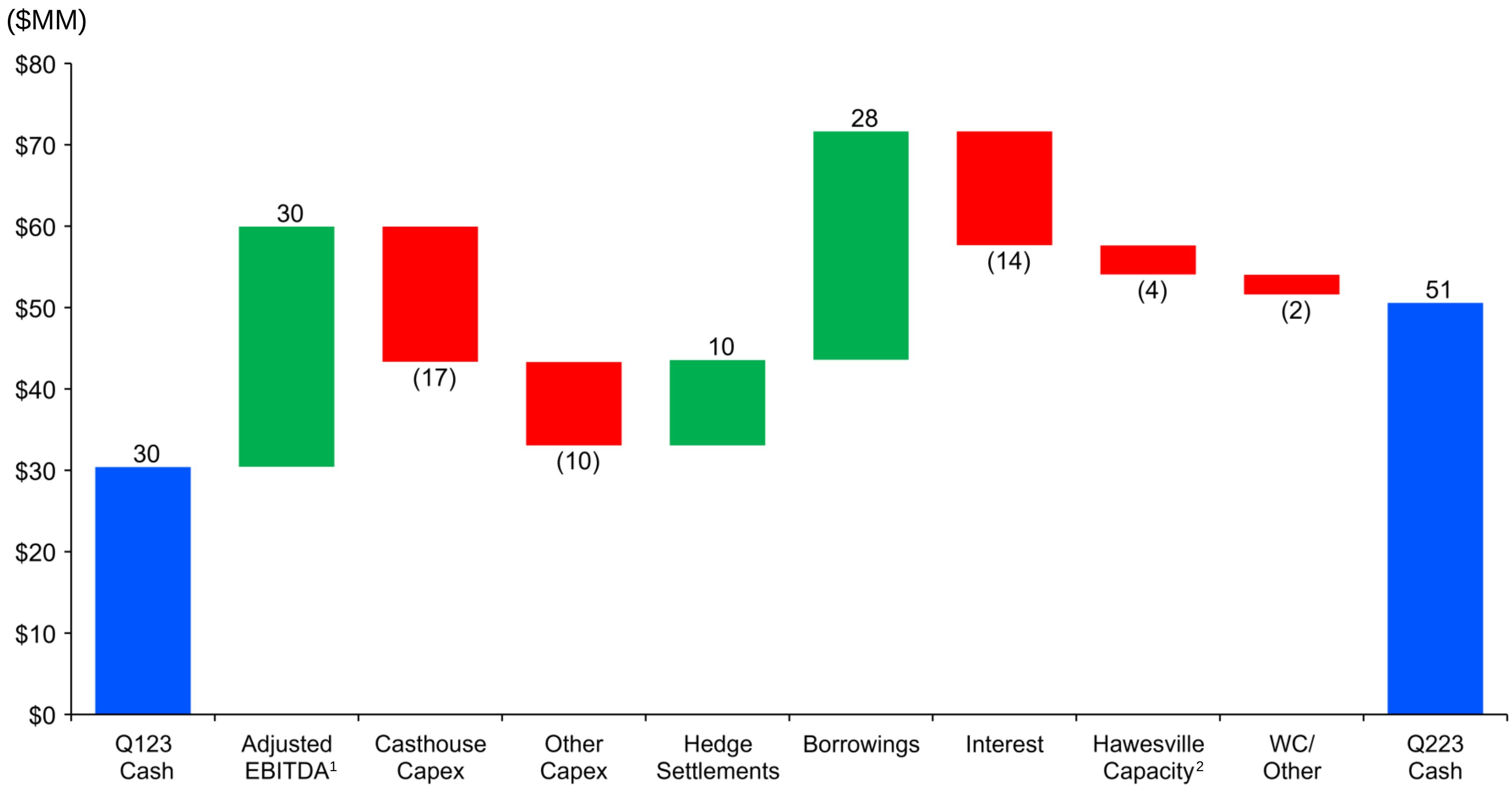
($MM)



1) See reconciliation to comparable GAAP financial measure in appendix

Financial Results

Q123 to Q223 Cash Flow



1) See reconciliation to comparable GAAP financial measure in appendix
2) Power capacity charge ended May 31, 2023

Q3 Outlook at Realized Prices

Adjusted EBITDA[1]	$MM
Q2 Adjusted EBITDA Attributable to Century	$ 30
LME / Delivery Premiums	$(25)-(20)
LME $2,240/MT	
US Midwest Premium $505/MT	
European Duty Paid Premium $320/MT	
Energy	$ -
Indy Hub $38/MWh	
Nord Pool $41/MWh	
HFO $75/bbl	
Henry Hub $2.50/mmbtu	
Other Raw Materials	$5-10
Alumina $390/MT	
Coke $520/MT	
Pitch $1,410/MT	
Caustic $565/MT	
Volume / OPEX	~$5
Mix	~$(5)
Q3 Outlook @ Estimated Realized Prices[2]	**$10 – 20**

Adjusted Net Income Attributable to Century	$MM
Q3 estimated hedge impact - Realized P&L	$0 – 5
Q3 estimated tax benefit - Realized P&L	~$0

1) Changes in the LME, regional premiums, energy, alumina and other raw materials will affect actual results, perhaps by material amounts
2) Prices as of 8/7/2023

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

	Q123		Q223	
	$MM	EPS	$MM	EPS
Net (loss) income attributable to Century stockholders[1]	**$ (38.6)**	**$ (0.42)**	**$ 6.9**	**$ 0.07**
Lower of cost or NRV inventory adjustment, net of tax	(25.6)	(0.28)	6.6	0.06
Unrealized loss (gain) on derivative contracts, net of tax	47.8	0.52	(4.3)	(0.04)
Hawesville curtailment costs	5.4	0.06	3.6	0.04
Share-based compensation	2.2	0.02	1.6	0.02
Litigation settlement	(2.5)	(0.03)	-	-
Jamalco acquisition costs	-	-	0.7	0.01
Impact of preferred and convertible shares	-	0.02	0.4	-
Adjusted net (loss) income attributable to Century stockholders	**$ (11.3)**	**$ (0.11)**	**$ 15.5**	**$ 0.16**

Weighted Average # Shares Outstanding (applicable to Adj. EPS)	Q123	Q223
Common	92.3	92.3
Preferred	5.4	5.4
Convertible	4.6	4.6
Total	**102.3**	**102.3**

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1) In periods of positive earnings, this represents earnings allocated to participating dilutive shares. For the three months ended June 30, 2023, this includes earnings allocated to common stockholders reduced by $0.2 million in share-based compensation related to the equity classified awards.

Adjusted EBITDA Non-GAAP Reconciliation

$MM	Q123	Q223
Net (loss) income attributable to Century stockholders, as reported	**$ (38.6)**	**$ 7.5**
Add: Net loss attributable to noncontrolling interests	-	(0.9)
Net (loss) income	**(38.6)**	**6.6**
Interest expense	8.7	8.7
Interest income	(0.3)	(0.4)
Net gain (loss) on forward and derivative contracts	57.6	(9.1)
Other income - net	0.3	3.5
Income tax benefit	(0.2)	(10.0)
Operating income (loss)	**$ 27.5**	**$ (0.7)**
Lower of cost or NRV inventory adjustment	(26.2)	6.4
Hawesville curtailment costs	5.4	3.6
Share-based compensation	2.2	1.4
Litigation settlement	(2.5)	-
Jamalco acquisition costs	-	0.7
Depreciation and amortization	17.7	17.2
Adjusted EBITDA	**24.1**	**28.6**
Less: Adjusted EBITDA attributable to noncontrolling interests	-	(0.9)
Adjusted EBITDA attributable to Century stockholders	**$ 24.1**	**$ 29.5**

Supplemental Information	Q123	Q223
Pot Relining Expense[1]	$ 8.3	$ 8.2

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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.

2023 Financial Assumptions

Income Statement ($MM)	YTD	FY23
Aluminum shipments (kMT)	355	700
D&A	$33	$60-70
SGA	$25	$40-45
Interest Expense	$17	$40-45
Realized Hedge Gain	$9	Varies based on market
Tax Benefit	$10	U.S. < $1MM (~$1.5B Federal NOLs); Iceland 20% statutory rate

Shipments (kMT)	YTD	FY23
Sebree	112	220
Hawesville	-	-
Mt. Holly	88	165
Grundartangi	155	315
Total	355	700

Cash Flow ($MM)	YTD	FY23
Sustaining Capex	$8	$15-20
Iceland Casthouse[1]	$27	$60-75
Investment Capex[2]	$2	$15-30
SGA	$21	$35-40
Interest	$18	$40-45
Hedge Settlements Gain	$20	Varies based on market
Tax	$0	< $5

1) Iceland Casthouse project is fully financed
2) Includes Jamalco expenditures

2023 Financial Information

Sensitivities ($MM)	Variance	Annual EBITDA[8]	Annual Cash[9]
LME	+/- $100/MT	$ 49	$ 35
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
Nord Pool[4]	+/- $1/MWh	1	0.1
Coke[5]	+/- $10/MT	3	3
Pitch[5]	+/- $10/MT	1	1
Caustic Soda[6]	+/- $10/MT	0.8	0.8
HFO[7]	+/- $1/bbl	0.3	0.3
Henry Hub[7]	+/- $0.10/mmbtu	0.5	0.5

Pricing Convention	
LME	U.S.:50% ~1 month lag / 50% ~3 month lag Iceland: primarily ~3 month lag
MWP	~1 month lag
EDPP	Primarily ~3 month lag
Alumina	Income stmt: 3-4 month lag Cash flow: ~1 month lag
Indiana Hub	MISO Day ahead Indiana Hub ATC
Nord Pool	Day ahead system price
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	Jamalco sourced (~40%), % LME (~30%), API (~15%), and Fixed (~15%)
Power	KY – Market-based power (Indiana Hub) plus delivery SC – Cost of service-based rates Iceland – ~70% LME dependent / ~20% market-based power (Nord Pool) plus transmission / ~10% 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

Pricing Formula	
Revenue	P1020: LME + Regional Premium VAP: LME + Regional Premium + Value added product premiums
Value added premiums	Primarily fixed annual contracts

1) Midwest Premium for all U.S. operations
2) European Duty Paid Premium for Grundartangi operations
3) Power market for Sebree operations
4) Power market for ~20% of Grundartangi operations
5) Raw materials for carbon anodes
6) Raw materials for Jamalco operations
7) Energy markets for Jamalco operations
8) Excludes impact of outstanding hedges
9) Reflects impact of outstanding hedges

Financial Hedge Landscape

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

Commodity (unit)	Q423			FY24		
	Volume	% Hedged	Price	Volume	% Hedged	Price
LME (MT)	11,000	6%	$ 2,305	35,000	5%	$ 2,325
MWP (MT)	-	-	-	-	-	-
EDPP (MT)	-	-	-	-	-	-
Indiana Hub (MWh)	44,000	5%	$ 33	-	-	-
Nord Pool (MWh)	250,000	95%	€ 30	n/a	n/a	n/a
Natural Gas[2] (mmbtu)	150,000	10%	$ 2.66	-	-	-

1) Hedges in place as of 6/30/2023
2) Represents Jamalco's estimated natural gas usage on 100% 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

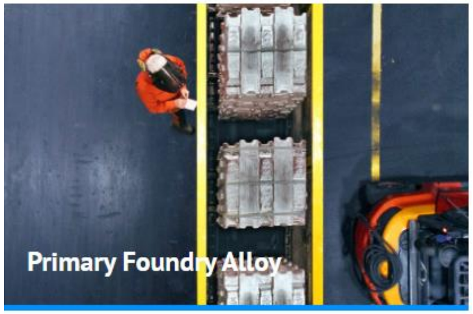
Bauxite mining and alumina refinery (kMT)[1]

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)	FY23	FY24
Sebree – Billet/Slab	175	175
Mt. Holly – Billet/Slab	110	120
Grundartangi – Natur-Al ™ Foundry Alloy	60	120
Grundartangi – Natur-Al ™ and other low carbon metal	105	
Grundartangi – Natur-Al ™ Billet		150
Total	450	565



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

	Q223	Target
Liquidity	$231	$250-300
Net Debt[1]	$437	$300

- Organic growth/Investment capex
  - Mt. Holly restart project complete
  - Iceland casthouse commercial production expected Q124
  - U.S. casthouse debottlenecking project
- Opportunistic M&A
  - Jamalco acquisition for $1
  - 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 well underway; 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

- $120MM 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

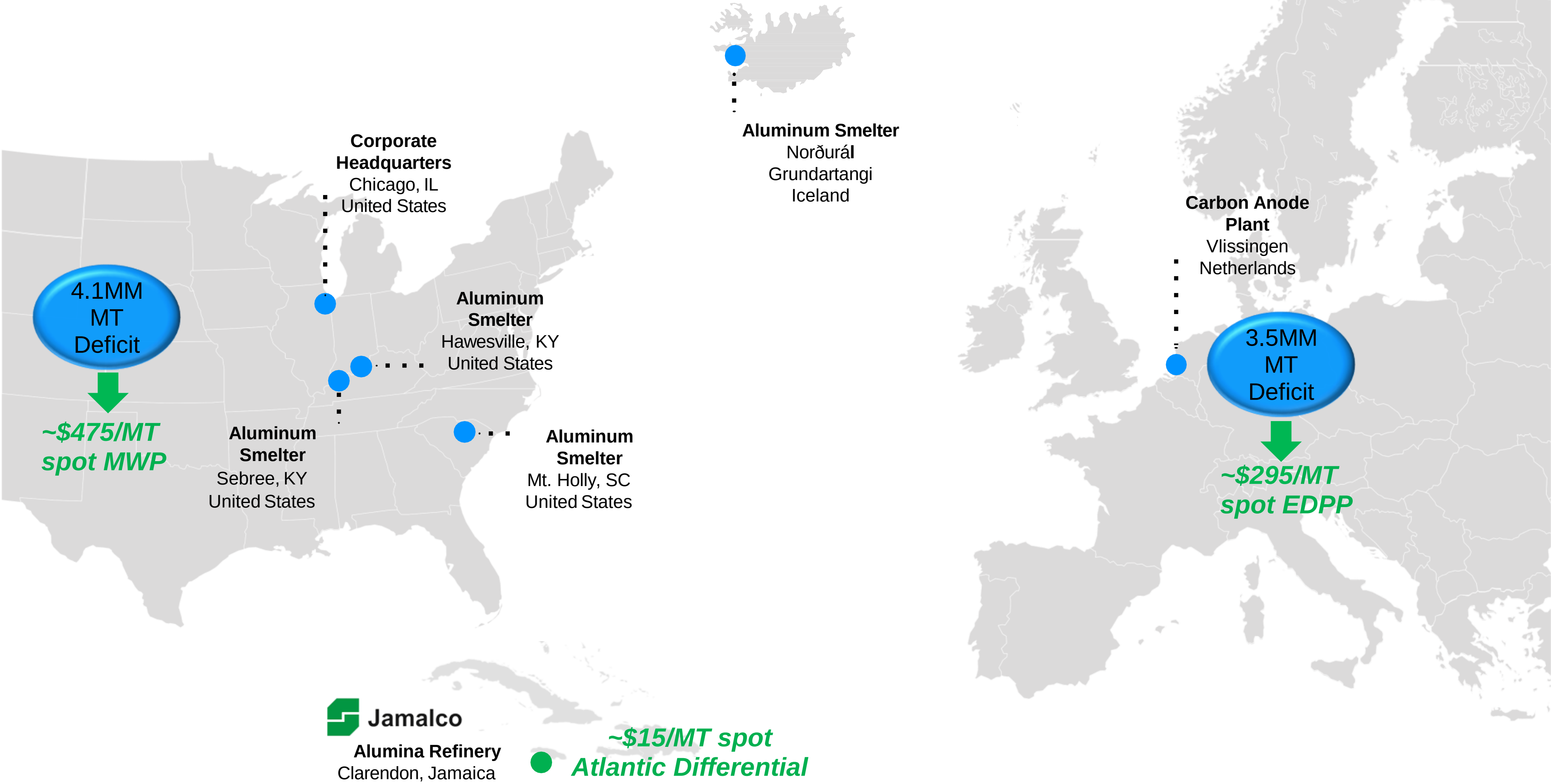
- The European market for billet is short approximately 1.0 million tonnes per year
- European CBAM places increasing focus on carbon emissions
- The European extrusion market will need new green sources to emerge in order to prevent carbon leakage

1) Source: CRU Group, Century Aluminum Company

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

Century Well Positioned for 2023 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 8/7/2023

Jamalco acquisition secures low-cost alumina and bauxite

Transaction

- 55% interest in Jamalco, a bauxite mining and alumina production JV
- Nameplate alumina production capacity of 1.4 million tpy[1]
- Transaction closed on May 2, 2023

Strategic

- Secures a predictable, long-term supply of alumina and bauxite
- Low-cost opportunity to acquire historically 2nd quartile asset
- Increased transparency into supply chain
- Strategic location provides short, secure supply lines/low freight to Century smelters
- Better positions Century to deliver strong performance through industry cycles
- High return projects to increase production volume and lower cost structure

Operations

- In August 2021, Jamalco was curtailed following a fire in its powerhouse
- Operations restarted in 2H22 with one digester
- Second digester started earlier this year; refinery approaching annualized run-rate of 1.2 million tpy[1]
- Project Restore to return refinery to nameplate capacity of 1.4 million tpy[1]

Financial

- Adjusted EBITDA expected to be break-even or better in Q2
- Working capital funding of \$10-20MM[2] in Q2
- Volume ramp in 2H23 will further improve alumina production costs
- Capex estimated at \$10-20MM[2] for FY23; most of which is investment capex as part of Project Restore

1) Represents 100% share
2) Represents Century's 55% share

Bauxite Mining Alumina Refinery with Capacity to Produce 1.4 Million Tonnes[1] of Alumina

Clarendon, Jamaica

Overview

Background	• Originally constructed in 1972 with major expansions in 1999, 2003, and 2007
Employees	• Approximately 900 employees
Production capacity[2]	• 1.4 million tpy[1] nameplate
Ownership	• Century 55% • Government of Jamaica 45%
Product	• Bauxite and smelter grade alumina
Customers	• All volume delivered to its joint venture partners • Sold primarily to U.S. and Europe
Bauxite supply	• Existing mining and exploratory licenses provide >30-year bauxite mining life

Current Status

- In August 2021, Jamalco was curtailed following a fire in its powerhouse
- Operations restarted in 2H22 with one digester
- Second digester started earlier this year; refinery approaching annualized run-rate of 1.2 million tpy[1] in Q2
- Project Restore to return refinery to nameplate capacity of 1.4 million tpy[1]

Historically 2nd quartile producer of high-quality smelter grade alumina

Century ALUMINUM

1) Represents 100% share
2) Figures reflect an estimate of the facility's total production capacity based on plant design, historical operating results and operating efficiencies

For Additional Information

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