CENTURY ALUMINUM COMPANY: 2nd Quarter 2026 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
Timna Tanners, Analyst

PRESENTATION

Operator

Hello, everyone. Thank you for joining us, and welcome to the Century Aluminum Company Second Quarter 2026 Earnings Conference Call. After today's prepared remarks, we will host a question-and-answer session.
I will now hand the conference over to Chad Rigg, Vice President, Finance and Treasurer. Please go ahead.

Chad Rigg

Thank you, operator.

Good afternoon, everyone, and welcome to the second quarter conference call. I'm joined here today by Jesse Gary, Century's President and Chief Executive Officer; and Peter Tripkowsky, 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

Thank you, Chad, and thanks to everyone for joining. I will start today by reviewing our second quarter operational performance. Including the completion of the Mt. Holly expansion and the restart of Potline 2 at Grundartangi, before turning to the continued strong market conditions we are operating in today. Pete will then walk you through our Q2 results and Q3 outlook, before I conclude the call with the latest on our new Oklahoma smelter project and on President Trump's important new executive order incentivizing companies like Century that are building new American aluminum capacity. Before we get into the quarter, I want to thank the Century team across all of our sites for another strong quarter of safety performance.

Over the last 6 months, our teams have executed 2 major capital projects on 2 continents. All while welcoming hundreds of new employees into our plants. And they did it safely. That is not luck. It is a product of planning, discipline, and a workforce that looks out for 1 another. Thank you to each of you. Turning to page 4. When we spoke with you in May, I told you that by the end of July, for the first time in over a decade, all Century assets should be operating at full capacity. I am very proud to report today that our team has delivered on that commitment.

At Mount Holly, we completed the restart of the final 90 POTS in late June. On time and on budget. Returning the plant to full capacity. This project increases total US aluminum production by nearly 10% and has added over 150 full-time American manufacturing jobs to the plant. We were proud to host U.S. Commerce Secretary Howard Lutnick and South Carolina attorney general Alan Wilson to the plant last week to celebrate this major achievement. At Grundartangi, we completed the restart of Line 2 at the end of July. Roughly 6 months ahead of the timeline we first shared with you last October. It is worth taking a step back for a moment.

10 months ago, we had just lost a potline in Iceland following an unprecedented transformer failure. Mount Holly was running at only 75% capacity. Today, both plants are producing at full capacity into a market that needs every unit we can produce. That turnaround was accomplished by our operations and technical teams working across time zones in parallel on 2 of the most complex projects this company has undertaken. Congratulations to all of you. This is a remarkable achievement, and you should be proud of it. Staying with page 4 in operations, we saw strong performance across the portfolio in the second quarter while executing this level of major project work.

At Mount Holly, the ramp up progressed on schedule throughout the quarter. With the plant reaching full production at the end of June. As a reminder, because of the incremental nature of the restart, Q2 reflects only a partial quarter of the expanded run rate. We will see the full benefit of these tons for the first time in Q3. Note that we have seen some instability of the plant following the restart. This is not unusual following a restart of this size. The team is working through it, and the impact is included in your Outlook.

Note that we do not expect any impact beyond Q3 and the project remains fully on track to repay its capital costs by the end of 26. At Grundartangi, the Line 2 restart went smoothly, and the plant is now close to full production. As we discussed last quarter, we are running Line 2 at slightly reduced amperage until our new replacement transformers arrive and are installed in the fourth quarter. We are being deliberately conservative here to avoid putting undue stress on the units, and the team has managed that balance well. At Jamalco, we brought our new power generation turbine known as TG 4 online at the beginning of August. This is an important milestone.

TG 4 allows us to run Jamalco on entirely self generated energy eliminating expensive, as we learned last winter, sometimes unreliable purchases from the Jamaican grid. The full benefit will phase in over the balance of the year and is as significant step change in the gemelco cost structure. Nice work by the Jamalco team in getting this 1 across the line. As we discussed last quarter, refinery does continue to see lower quality bauxite from certain of its mining areas. The team has the revised mining plan in place and is working through it. But we expect this will take another couple of quarters to fully implement.

In the meantime, it remains a modest headwind to Jamalco's cost and volumes, and Pete has reflected that in our outlook. Finally, Sebree delivered another excellent quarter. This plan has now strung together quarter after quarter top tier operating and financial performance, and it continues to set the standard for the rest of the portfolio. Great work again by the entire Sebree team. Before I hand things to Pete, let's spend a few minutes on the market. Starting on page 5. The short version is that we are bringing these additional tons from Mount Holly and Grundartangi into a strong a market as this industry has seen in a very long time.

Following the limited reopening of the Strait of Hormuz, prices have now returned to preconflict levels. LME is approximately $3.25 thousand per ton today, The US Midwest premium is approximately $1.11 per pound. And the European duty paid premium is approximately $500 per ton. The market continues to evaluate what is happening in the Gulf. Restarts have only been announced at EGA, and that is a welcome development for our friends there. But we have not yet seen restart announcements in Bahrain or Qatar, and I would be careful about assuming that the production levels in the Gulf as a whole will come back quickly. Restarting curtailed potlines is slow and difficult work.

We know that better than most, having just done it twice ourselves. And these plants are doing it while their raw material supply chains are still not fully normalized. We do not have good visibility into how long it will take, nor can any of us say with confidence what further disruption to transit through the Strait would do to those timelines. On the demand side, The US picture is as strong as we have seen it in years. Monday's ISM manufacturing report for July came in well above expectations. The seventh consecutive month of expansion and the strongest reading since May of 2022.

That is the strong environment our customers are operating in, we are seeing it directly when we speak with them. Aluminum demand is being driven by the power and data infrastructure build out. By commercial aerospace, and by defense and rearmament programs. As well as the continued reshoring of extrusion and downstream fabrication following President Trump's April action closing the valuation loopholes in the 232 program. When you take the supply and demand picture together, we continue to expect a global deficit of around 1 million tons this year. And we would expect deficit conditions to continue in 2027.

With Middle Eastern smelters producing materially less metal in 2026 than they otherwise would have, A large portion of that shortfall is now locked in. No matter how the restarts go from here. You cannot make up lost tons in a market that was already short. The result is visible in the inventories. Global days of consumptions held in inventory have now fallen through the post financial crisis lows we have referenced on prior calls and are approaching all time lows. With deficits persisting through the balance of this year and into next, we expect that drawdown to continue. there is very little cushion left anywhere in the system.

In a market with no slack, the value of secure domestic units goes up. And with the completion of both restarts, Century now has more of them to sell in both the US and EU markets. Peter will now take you through our second quarter financial performance and Q3 outlook.

Peter A. Trpkovski

Thank you, Jesse.

I will begin with the review of our Q2 financial performance and provide an update on the Mt. Holly expansion and restart of Grundartangi Line 2. Along with an update on cash flow for the business. Lastly, I will share our Q3 outlook. Turning to Slide 8. On a consolidated basis, second quarter shipments totaled approximately 131 thousand tons, a 6% increase from the prior quarter due to an additional production from the restart of Line 2 in Iceland and the Mt. Holly expansion. Net sales for the quarter were $752 million, a $103 million increase sequentially primarily due to higher realized LME and regional premiums as well as higher shipments.

For the quarter, we reported net income of $249 million or $2.39 per share. Our adjusted net income was $257 million or $2.46 per share. Excluding exceptional items. Exceptional items included the unrealized gains on our derivative contracts, business interruption losses in Iceland, and restart expenses at Mt. Holly. Adjusted EBITDA for the quarter was $327 million primarily attributable to higher LME regional premiums and increased volume resulting from expanded output at Mt. Holly. During the quarter, we continued our efforts to enhance the balance sheet. Our cash balance stood at $388 million at the end of June.

We continue to prioritize debt reduction, with $66 million in debt repayments in the quarter, resulting in no outstanding borrowings on our credit facilities at the end of the quarter. Net debt was reduced to $98 million. And as of the end of July, our cash position exceeded our total debt. More on that in a couple of minutes. Turning to page 9. Adjusted EBITDA for the second quarter increased $96 million to $327 million. Realized LME was $3.25 thousand per ton, up $350 versus prior quarter, Our realized US Midwest premium was 2.48 thousand per ton, up $280, and higher European premium of $450 per ton was a $140.

Taken together, LME and regional premiums pricing contribute an incremental $95 million compared with the prior quarter. Energy costs returned to normalized levels after winter, and raw material costs were higher. As anticipated. Volume and sales mix were up $8 million over prior quarter, This increased production volume was expected from our expansion at Mt. Holly, However, shipments at quarter end were affected by cutoff timing. This resulted in a sequential increase in finished goods inventory related to the Mt. Holly expansion. We expect that inventory to ship in Q3 and I will cover that in more detail shortly. As anticipated on our last call, operating expenses increased over prior quarter driven by the Mt.Holly expansion reflecting the 100% capacity run rate.

Now let's turn to slide 10 for a look at cash flow. We began the quarter with $332 million in cash. We generated strong cash from operations during the quarter. We continue to accrue the 45X tax credit quarterly, with cash receipts following the filing of our annual tax return. In Iceland, we continue to have a cash impact as the insurance recoveries on the Line 2 loss profits lag on a quarterly basis. In the quarter, we received $46 million related to previous lost profit margin. Quarterly CapEx totaled $59 million, of which $37 million was related to the investment for the Mt. Holly expansion, and our new power generation unit TG 4 at Jamalco. We had $30 million in hedge settlements during the quarter. Cash interest for the quarter was roughly $5 million We had a working capital build this quarter as the expansion at Mt. Holly increased our working capital back to a 100% capacity as well as increased finished goods inventory that I mentioned earlier as a result of shipment timing. We expect to recoup cash from some of this finished goods inventory into Q3. We repaid $66 million related to our Icelandic revolver in Q2 and ended the quarter with no borrowings on our revolving credit facilities.

We ended Q2 with $388 million in cash, and strong liquidity in place. As discussed, many of these items will convert to cash in future quarters. For example, at the end of July, we received $94 million in cash for 45X tax credits outstanding related to fiscal year 25. We also received $19 million in July for the Grundartangi insurance recoveries. All told, Century's balance sheet has never been stronger. With all short term debt repaid, And as of today, Century's cash on hand exceeds its total debt. Going forward, we are expecting even stronger cash flow conversion as investment CapEx related to the Mt. Holly and Grundartangi restarts are now complete.

Just leaving primarily sustaining CapEx over the second half of the year. Now let's turn to slide 11, and I will have a look ahead to the next 90 days. For Q3, lagged LME of $3.33 thousand per ton is expected to be up about $75 versus Q2 realized prices. The Q3 lagged US Midwest premium is expected to be $1.09 per pound down 3 cents versus Q2 realized prices. The European duty paid premium is expected to be approximately $520 per ton in Q3 or up about $70 per ton. Taken together, the lagged LME and delivery premium changes are expected to have a $5 million to $10 million increase to Q3 adjusted EBITDA when compared with Q2 levels.

We expect energy headwinds of $10 million to $15 million as we typically see due to warmer summer weather. Looking at our other raw materials, we continue to see moderate increases in our input costs. We see a small headwind of $5 million sequentially. We expect OpEx to be flat in the third quarter. Volume and sales mix is expected to improve $15 million to $25 million with increased production and shipments at Mt. Holly. All told, at expected realized prices, we expect Q3 adjusted EBITDA in the range of $325 million to $345 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 the $20 million to $25 million headwind from realized hedge settlements and $10 million to $15 million tax expense. Both flowing through our Q3 P&L and impacting adjusted net income and adjusted earnings per share.

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

Jesse E. Gary

Thank you, Pete.

Before I turn to Oklahoma to finish the call, a brief word on Hawesville, which you can see on page 13. When we sold the site in February, we received $200 million in cash and retained a 6.8% non-dilutive interest in the completed data center. Since then, the project's taken a significant step forward. Our partner, TeraWulf, has signed Anthropic as a data center tenant to a 20 year lease that is expected to generate lease revenue of approximately $19 billion in total over its initial term. Energization is still expected in the second half of 2027, and our right to put our share in the data center back to TeraWulf becomes exercisable 1 year after that.

We told you in February that we believe the stake would be worth well in excess of our initial cash proceeds. Assigned 20 year lease with 2 5-year extensions and a high quality tenant goes a long way towards proving that out. And Century has no obligation to fund any part of the development cost. The anticipated monetization timeline of our 6.8% stake lines up reasonably well with the construction in Oklahoma. Making it a further potential source of capital to help fund Century's share of that project if needed. Okay. Turning finally to our new Oklahoma smelter project with our joint venture partner, Emirates Global Aluminum. We made further progress in the second quarter.

Bechtel continues its detailed engineering work. We advanced negotiations toward a final energy contract and we made significant progress on the financing for the smelter. Those 3 items the final energy contract, detailed engineering, and financing are the near term milestones we are focused on. And we continue to expect FID and groundbreaking by the end of this year. With first hot metal by the end of 29. That brings me to page 12 and to what I think is the most important policy development of the quarter. On July 20, President Trump issued a new executive order establishing an incentive for companies that build or expand primary aluminum production here in The United States.

Under the program, approved companies will be able to annually import primary aluminum up to the amount of the new production they are building at a reduced tariff rate of 25%. Versus the 50% rate that would otherwise apply to imports. I want to underline what this represents. The section 32 program first leveled the playing field for American producers and workers. In April, the Trump administration closed evaluation loopholes that importers had been using to get around it. And now with this order, the program goes a step further and actually incentivizes the companies that are putting capital in the ground to build new American capacity.

Each step is built on the last, and each has been enforced with no exceptions and no exemptions. For Century, the effect is direct. We expect the Oklahoma project to be approved under the program to import up to 750 thousand metric tons at the reduced 25% rate beginning in 2027. That will be split 60% to EGA and 40% to Century. That means Century could begin importing up to 300 thousand metric tons per year at the reduced rate. Starting in 2027. And we intend to apply that benefit to help fund Century's share of the Oklahoma project.

This is another well designed piece of policy and we are grateful to President Trump and his team for their support and commitment to restoring production of American aluminum. Taken together, a balance sheet where our cash now exceeds our total debt the tariff benefit under the new executive order, and the value we have created at Hawesville. Century has real and growing balance sheet capacity to fund its share of the Oklahoma project as well as to pursue other opportunities and priorities to create best in class value for our shareholders. To wrap up, earlier this year, we said we would have every asset running full by the end of July, and we did it.

Next, we intend to bring the first new American smelter in nearly 50 years out of the ground. No company is investing more to restore American primary aluminum production than Century. We are already the largest producer of aluminum in The United States, We employ more American primary aluminum workers than any other company. And thanks to President Trump's leadership and the Section 232 program, we are investing billions more in new and expanded production in Mount Holly and in Oklahoma. We are laser focused on execution. We thank you for your time. We look forward to taking your questions today. Operator?

QUESTION AND ANSWER SECTION

Operator
We will now begin the Q&A. Please limit yourself to 1 question and 1 follow-up. If you would like to ask a question, please press *1 to raise your hand. To withdraw your question, press *1 again. We ask that you pick up your handset when asking a question to allow for optimum sound quality. If you are muted locally, please remember to unmute your device. Please stand by while we compile the Q&A roster. The first question comes from the line of Nick Giles with B Riley Securities. Line is now open.

Nick Giles: Yeah. Thanks, operator. Good afternoon, guys. Just first wanted to ask about the executive order kind of, where you will ultimately source the metal and just how you value this benefit in terms of EBITDA and cash flow? Thanks.

Jesse E. Gary: Hey, Nick. Yeah. As I mentioned, the executive order is very important. And provides a nice opportunity, for Century and, of course, anyone else who is investing in new US aluminum production. For us, there will be a number of different sources we believe we will be able to source the metal from. Obviously, our own resources in Iceland but we anticipate also other sources. But what we will do is commerce will ultimately promulgate some rules for the EO. And we will wait for those to come out, and then we will give you know, the final analysis there.

Just to scope the opportunity for us, again, you know, we will wait for the final opportunities to get part numbers here. You can just simply take that reduced tariff level So if we are paying 25% versus the 50%, kind of quick rule of thumb, you just take that choose your LME. So today, we are at $32.50. Apply that. That will give you a sense of the benefit per ton. And then Century will be should be able to import our share of the new production, which is 300 thousand tons. And you just multiply those together, and you can see it would be quite material.
The benefit should be the same on both the EBITDA and cash flow side there.

Nick Giles: Got it. No. Thanks, Jesse. that is very helpful. Maybe just on the project itself. it would be good to get an update on the DOE grant, when you would expect for us to have more information there. And then maybe just on financing sources more broadly, what kind of work is ongoing today in terms of project financing? And, you mentioned stake as well at Hawesville. Curious for your thoughts there. Thanks.

Jesse E. Gary: Sure. Just a reminder on the DOE grant. So that is secured. Of course, there are a number of milestones that we need to work through for the project. And DOE, to release that grant. But the grant pays out basically dollar for dollar for investments that we make into the project. To release that $500 million. So really no change from what we have told you before Everything remains in place there. All looks good. On the broader financing picture, we are working on a number of different potential sources. Once those are secure, we will obviously come out to you with the details. But we are talking with a number of parties and that includes some potential government sources of financing.

Operator

The next question comes from the line of Katja Jancic with BMO Capital Your line is now open.

Katja Jancic: Hi. Thank you for taking my question. Jesse, you mentioned multiple there are multiple sources of potential cash to finance the smelter. And your free cash flow conversion is expected to improve from here Can you talk about a bit about how you are thinking about shareholder returns at this point, especially with your balance sheet being in a very good place?

Jesse E. Gary: Absolutely. So if you just look at slide 22, you, as you mentioned,, we have had some very strong cash flow generation already. As Pete mentioned, we after the quarter, we did receive our $94 million 45 x refund as well as another nearly $20 million in insurance recoveries, which put us in a position where our cash exceeds our total outstanding debt. As of the end of July. And you can see also our liquidity $785 million. Significantly exceeds our target. So the balance sheet is in a good position, and we anticipate keeping it in a very good position and we have got a lot of opportunity with a lot of cash flow coming in to do so.

Did tell you we would come back to you on capital returns once we clear these targets, and we will. But what we have also said is we have a clear priority for capital allocation. Of course, that is to maintain the liquidity through the cycle, then to ensure we have enough sustaining capital, and then we would look first to organic growth opportunities. Obviously, the new smelter in Oklahoma falls into that category. And what we just ask is as we are proving out the final details there, so we are working through the final engineering numbers and CapEx numbers, and getting the FID. if people remain patient with us. But we do fully anticipate that we will find ourselves in a position where we have plenty of cash to finance the smelter including our equity piece, and also to pursue other priorities whatever those may be, and, of course, including capital returns.

Katja Jancic: And maybe shifting gears a little bit to Iceland. In Q4, you are going to install the new transformers will that impact production volumes, or how should we think about that?

Jesse E. Gary: Yeah. So as I said on the call, we are now back to close to full production, but we are being a little bit conservative with the amount of amperage that we are running through the repaired transformers. This is not--this is not we are not talking huge amounts. We are we are pretty close to full production. But once we do get those new transformers installed in Q4, you should see us increase the amperage, which will further increase the volume coming out of Grundartangi, and you will see it return back to that normalized run rate that you saw before the interruption, that full normalized run rate.

Peter Trpkovski: And I can just add, Katja. I think maybe your question was when we start installing them and putting those into service, will we have any interruption of production. And because of the redundancy we will have with the repair transformers, we will come back to you in 3 months and give you our Q4 outlook, but I would not expect interruption to production. sitting here today any interruption to production.

Jesse E. Gary: No. No. There should not be any.

Operator
The next question comes from the line of Timna Tanners with Wells Fargo. Your line is now open.

Timna Tanners: Yeah. Hey. Good afternoon. I wanted to ask about Mt. Holly first off. You did not mention them as a potential beneficiary of the new executive order with the 50 thousand ton restart. So is that not potentially eligible, or is it? And then also regarding that I think, Pete, at Mt. Holly, can you quantify the instability and the impact into Q3?

Jesse E. Gary: No. Because we are now complete with Mount Holly and that new production is coming out, We do not anticipate that being eligible. The program is designed to allow as we understand it at least today, and as allowed, it is designed to allow imports during the dependency of investment while new production is coming online. But then once it is online, you cannot bring in additional imports. So Mount Holly, given that it is done, we do not anticipate it being eligible today.

Peter Trpkovski: The instability as I said, that is this is something that sometimes happens during restarts. Of course, a plant is sort of used to operating at a lower level of production, and some of the corollary areas of the plant suddenly need to operate a higher level of production. Have more metal going through the cast house. You have more anodes being produced in the carbon area. Sometimes you get a little instability there. This is nothing material. it is in our Q3 guide. It does have some impact on Q3, Timna. But we do think we will get it fully resolved in Q3. So then you should actually get a little bit more volume coming back in Q4 than what you are seeing already in Q3.

Timna Tanners: Okay. Helpful. Thank you. And my second question, if you could help us understand the dynamics in the new Oklahoma smelter, you know, being far away from the situation. We just see the headlines and some of the pushback and debates on the local level. Can you help us understand what is happening there and your conviction? It sounds like it is pretty clear for it moving forward, but we would just like to understand it from your perspective better, please.

Jesse E. Gary: Sure. And, of course, you can understand the communities want to understand what is going on when the major project gets announced in their area. And I think we are working very closely with the community, and I know elsewhere in Oklahoma to better understand what their concerns are and to make sure that they have all the facts about our technology and process. And then we are very confident that the smelter will pose no harm to anyone. And that everyone will be comfortable with what is going on and get to see the benefits to the state and to the local community of all of the investment and jobs that are created.

Operator
The next question comes from the line of Matthew Key with Texas Capital. Your line is now open.

Matthew Key: Good afternoon, and thanks for taking my question. You mentioned that you would be completing some power capacity at Jamalco in August. Was wondering if you could maybe help quantify the potential financial benefit there. Would you only experience cost benefits during times of like, an energy outage, or would this be a more sustainable benefit long term?

Jesse E. Gary: It is really twofold, Matthew. So 1, as I mentioned, we will have the ability to be fully self sufficient in our energy generation within our foreign walls. In other words, we will be able to operate as an island within the island, if you will. But, of course, under normal circumstances, we will remain connected to the grid for stability reasons. But if there are problems in the grid, then we will be able to operate as an island. The other part of it is the cost savings. So energy is expensive. In The Caribbean, of course. And we will be able to generate energy ourselves through t g 4 that is fully meets our energy needs.

So we will be able to stop those grid purchases going forward. From the beginning of August. And you will see savings. Of course, it depends on where market prices are in Jamaica, what those savings are. But if you kind of think of about a $20 per ton benefit there, that would get you close.

Peter Trpkovski: And I would just add, Matthew, yep. I already reflected that in the outlook for you. On the Q3.

Matthew Key: Got it. Okay. that is it for me. Best of luck moving forward.

Jesse E. Gary: Thank you, Matt.

Operator
The next question comes from the line of Nick Giles with B. Riley Securities. Your line is now open.

Nick Giles: Thanks for taking my follow-up. I just was curious, and sorry if I missed this, if you could just kind of outline some of the working capital unwind and just cash flow considerations in the second half, whether it be on the insurance or other side? Thanks.

Peter Trpkovski: Yeah. Sure, Nick. I can take that. To start. I talked a little bit about the working capital build this quarter in the second quarter. it is--I did not quantify the breakdown, but if you just think of it as 2 buckets. 1, we brought back Mount Holly and the expansion to a 100% capacity, so you kind of got supplies and inventory growth there in receivables to sort of reflect that. And then you also had because of the production increase, we had the conversion of shipments and quarter end is a snapshot in time. So we had some cutoff timing of those shipments. So that was the working capital build in Q2.

And I would say going forward, obviously, you are you are not gonna get back working capital you need to operate Mt. Holly at 100%. But, certainly, you will get back a good portion of those finished goods inventory sitting on the balance sheet at the end of Q2. In Q3. So that should be a good tailwind of cash And then really just going forward on cash flow conversion, like I said in my remarks, expecting that to convert even stronger than what we had been thus far. As we continue. Like I already said, we have the $94 million from 45 x credit. We got additional $20 million on the insurance recovery. Continue to work on that.

And then the growth CapEx really falls off. You know, we are we are we are complete on the Mt. Holly expansion. We are complete on bringing Line 2 back on in Iceland. And we should only really have sustaining CapEx going forward. So just given where we are on the balance sheet, I think you will see that strong cash flow conversion going forward.

Nick Giles: Got it. No. that is really helpful, Pete. Maybe just back to Oklahoma. Was curious for any update that you might have on just the power contract negotiations. Are there any gating items that you could call out? Or when should we expect to see that finalized, ahead of the ultimate FID and groundbreaking later this year?

Jesse E. Gary: Yeah, Nick. We continue to work really well with our counterparty there. Both with our partners, EGA, but also with the utility counterparty. In progressing that work. We are making progress These are complex contracts. They do take some time. To get fully negotiated through the lawyers and all of that. But I would just say things continue to move forward well and make good progress. Of course, we will have that done before we make FID, but I do not really wanna handicap it further for now. Just know that we are working hard and continue to make progress.

Operator
There are no further questions at this time. I will now turn the call back to Jesse E. Gary for closing remarks.

Jesse E. Gary: Thank you, everyone, for joining the call today. We are proud of the quarter. We look forward to Q3 and what is next to come for Sentry. Thanks a lot.

Operator
This concludes today's call. Thank you for attending. You may now disconnect.