



# Fourth quarter results 2023

# Agenda

## Business update

By CEO Helge Aasen

## Financial performance

By CFO Morten Viga

## Outlook

By CEO Helge Aasen



## Highlights

# Fourth quarter concludes a challenging year, signs of recovery

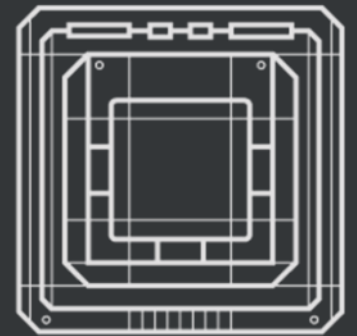
- Elkem's EBITDA was NOK 632 million in the fourth quarter 2023
- Silicones delivering positive EBITDA in challenging markets, as internal improvement programmes take effect
- Silicon Products negatively impacted by lower contract prices, maintenance stop at Iceland, and fire at the Salten plant
- Carbon Solutions with strong results despite lower demand, delivering the best full-year result ever
- Due to low earnings per share (EPS), the board has proposed to the annual general meeting not to pay dividends for 2023



Total operating income  
**MNOK 8,436**

EBITDA  
**MNOK 632**

EBITDA margin  
**7%**





# Elkem celebrates anniversary as 120 years young company

- Elkem celebrates its 120 years anniversary in 2024, having grown from a Norwegian industrial start-up into a position as one of the world's leading providers of advanced silicon-based materials
- Our focus is always on the future – Elkem's more than 600 researchers are working to create solutions for the green transition, digitalisation and other global megatrends
- Elkem received two nominations in R&D World Magazine's R&D 100 2023 Awards: PURESIL™ for lower carbon footprint, and silicone elastomers as modifiable excipient for drug delivery devices
- In January 2024, Elkem announced a new specialised iron-silicon powder for 3D printing of components for electrical motors, with a first use-case for electric scooters



# Strong ESG performance



## Green leadership

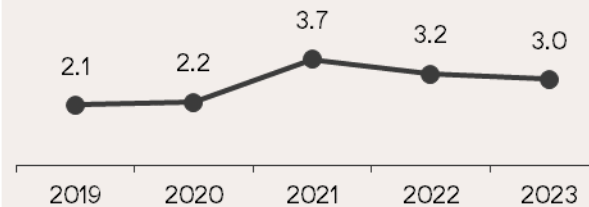
- Elkem has been awarded A score from CDP on Forests and A- on Climate and Water Security for 2023
- In December 2023, an agreement was reached with reindeer district 7 (Rákkonjårga) for the expansion of Elkem's quartz mining in Tana
- Elkem has completed the pilot for carbon capture at the Rana plant. The pilot recorded high capture rates of CO<sub>2</sub>, up to 95%



## Safety

Ambition: Zero injuries

Total injury rate (per million working hours)



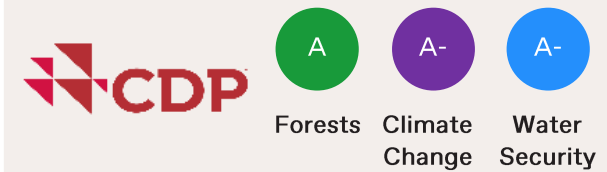
## Sustainability targets

**39%** Reduction in CO<sub>2</sub> product footprint by 2031



Net zero CO<sub>2</sub> emissions by 2050

Rated among the world's leading companies



EcoVadis: Gold rating for 2023, in the 99<sup>th</sup> percentile

**S&P Global** S&P Global CSA: Top 94<sup>th</sup> percentile

**ESG100** Rated A+ for ESG reporting in 2023

# Fire at the Salten plant

- A fire broke out at the Salten plant in Norway on 10 December 2023. The plant has three furnaces and a total capacity of 80 kt/p.a.
- The fire started in a building housing raw materials, including carbon materials
- The fire was under control and mostly extinguished within 24 hours. No people were injured
- Furnace #1 was restarted on 29 January 2024. Furnace #2 and #3 are still out – start-up dates yet to be confirmed
- Elkem has adequate insurance cover for property damage and business interruption



Elkem Salten, Norway

Silicon production capacity  
**80,000 t/p.a.**

Operating status  
**Furnace #1 restarted**

Insurance cover  
**Property and business interruption**





# Weak macro-economic sentiment, signs of recovery

- The macro-economic sentiment has been weak in 2023, characterised by high inflation, interest rate hikes, slow recovery in China, and geopolitical uncertainties. Markets also impacted by Chinese exporters discounting prices to get over slump in demand
- The weak sentiment has resulted in weak demand and negative sales price development in Elkem's main markets
- Market recovery expected in 2024
  - Silicones prices in China up 14% from trough in August 2023
  - Silicon prices in EU up 25% from trough in September 2023
  - Interest rate reductions widely expected in 2024 as inflation comes down in EU and the US

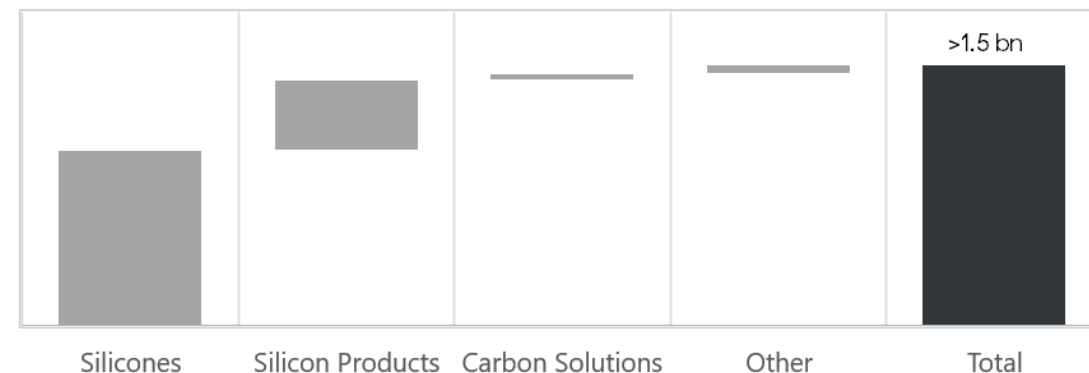


# Comprehensive programme for EBITDA improvements and capex reductions

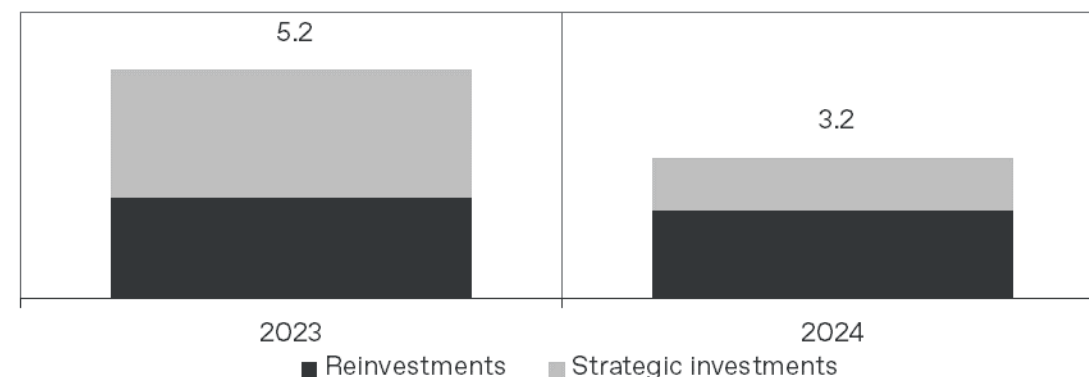


- Elkem has introduced a comprehensive programme to counter the current challenging market conditions, particularly in Silicones
- The target is to improve EBITDA by > BNOK 1.5 in 2024. The initiatives are organised along several dimensions:
  - Sales and product value improvements
  - Reduce raw material costs by sourcing of cheaper materials
  - Operational improvements and streamlining production structure
- The target is to reduce capex by > BNOK 2.0
  - Reinvestment within target range of 80-90% of D&A
  - Strategic capex reduced to approx. BNOK 1.2, mainly related to ongoing Silicones and Carbon Solutions projects

**EBITDA improvements – Target 2024 > BNOK 1.5**



**Capex reductions – Target 2024 > BNOK 2.0**





# Expansion projects according to plan, improving cost positions in Silicones

- The Silicones expansion projects in France and China will be finalised in 2024, according to plan
- In China, the project has reached mechanical completion. Commercial production expected to start in April and reach 65 kt in 2024, generating a potential revenue of NOK 1.5 billion
- In France, project completion is expected in October 2024
- These projects will improve the plants' cost positions, mainly through lower energy and raw material consumption. The new production line in China is expected to be on level with the current lowest cost producers



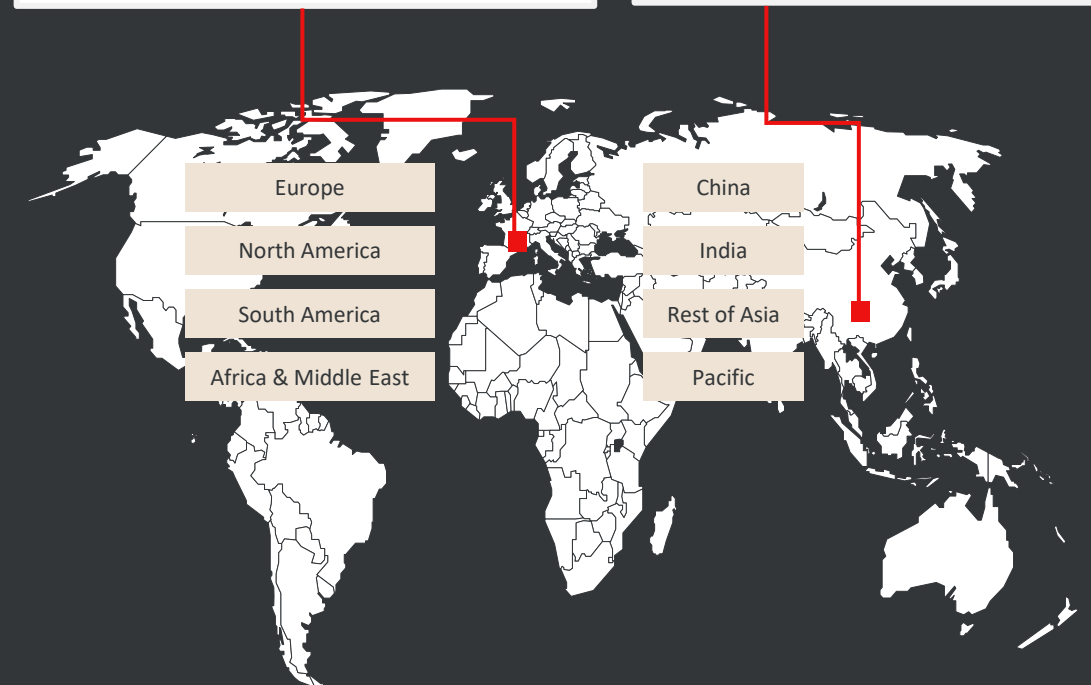
## Silicones project in France

Capacity increase: +25% / +20 ktpa  
Total capacity: 100ktpa  
Start-up: 2H-2024  
Investment ≈400 MNOK



## Silicones project in China

Capacity increase: +50% / +120 ktpa  
Total capacity: 360 ktpa  
Start-up: 1H-2024  
Investment ≈4,000 MNOK



# Well managed financing position

- Scope affirmed the BBB issuer rating of Elkem in December 2023 and changed the outlook from stable to negative
- Elkem has a good liquidity position as at 31 December 2023
  - Available cash BNOK 6.4
  - Available undrawn credit lines BNOK 6.3
- Well managed debt profile with low upcoming maturities
- Financial covenant waiver process initiated
  - Elkem has two financial covenants in its loan agreements; Equity Ratio > 30%, and Interest Cover Ratio > 4.0x
  - Waiver process initiated with lenders due to risk that the Interest Cover Ratio could drop below threshold in 2024

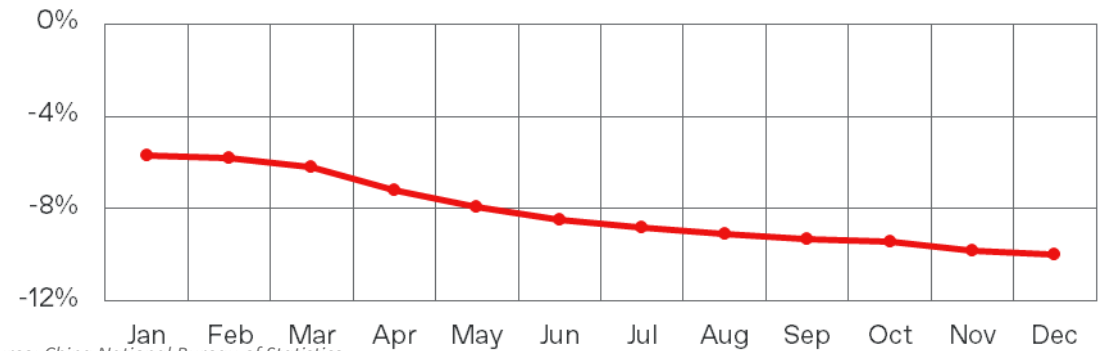


# Weak construction and automotive markets

- Challenging market conditions persist in construction and automotive, but some signs of improvement
- In China, the statistics show a continued decline in investments in real estate development
- Automotive markets in Europe and North America are still relatively weak, but production show signs of recovery

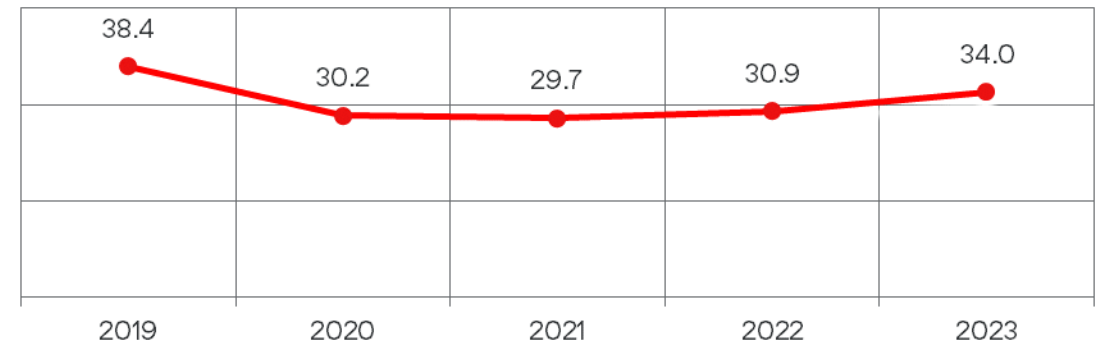


Growth rate of investment in real estate development in China in 2023



Source: China National Bureau of Statistics

Europe and North America – Light vehicle production (million units)



Source: CRU



# Challenging markets, signs of demand recovery

- Silicones markets were generally weak in 4Q-2023, but signs of demand recovery in main regions
- Demand for most specialty grades remain low in EU and the US, due to weak macro-economic sentiment
- In China, producers take measures to counter unsustainable low prices. Operating rate was low (~74%) in 4Q-2023, and new upstream projects being cancelled
- DMC prices increased by approx. 6% on average compared to 3Q-2023, mainly driven by the supply side



DMC reference price China (KCNY/mt)



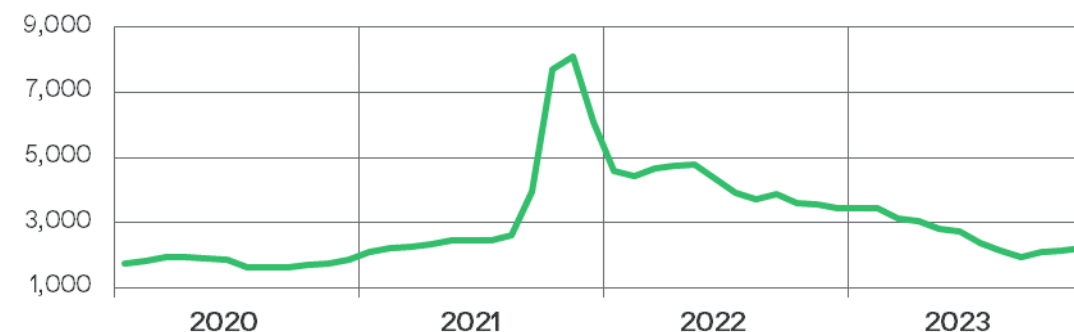
DMC reference prices are based on quotes incl. VAT and transportation.  
Quotes may not always reflect accurate sales prices.

# Market prices bottoming out

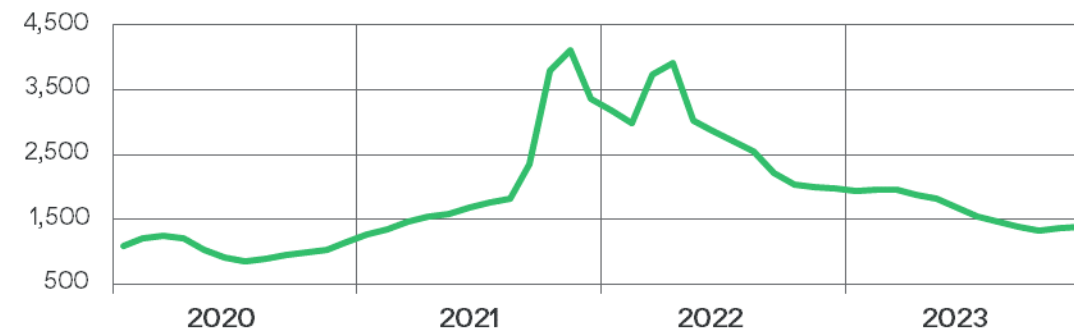
- Challenging silicon and ferrosilicon markets in EU in 4Q-2023
- Clear signs that prices have bottomed out, silicon and ferrosilicon prices in EU started to recover in 4Q-2023
- In China, silicon prices were stable in 4Q-2023, but increasing towards the end of the quarter, partly due to rising power costs
- Silicon exports from Asia impacted by rising sea freight prices caused by disruptions in the Red Sea



CRU silicon 99 price EU (EUR/mt)



CRU ferrosilicon 75 price EU (EUR/mt)

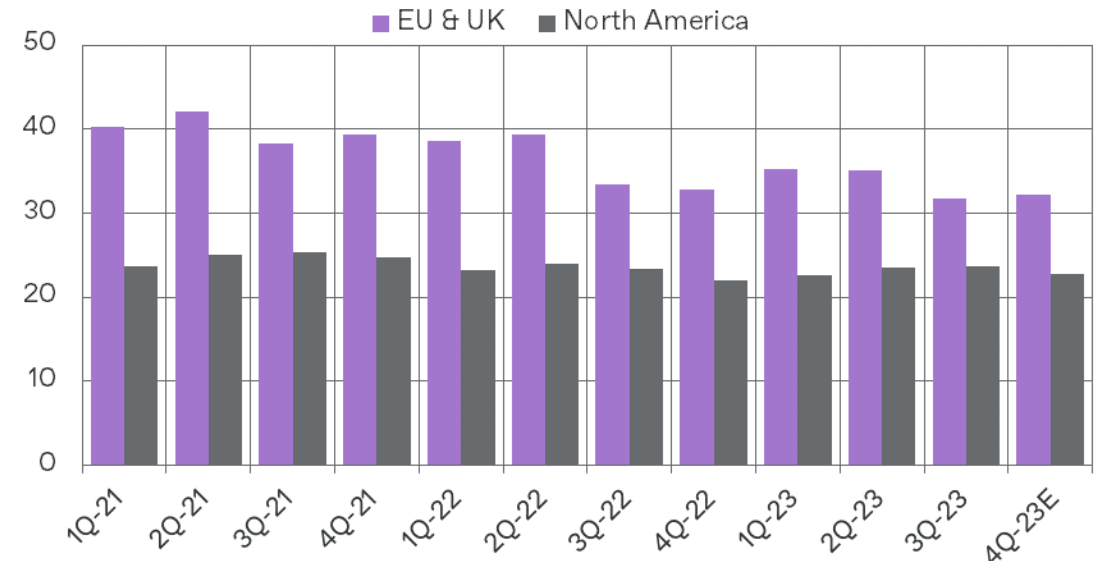


# Continued slow demand due to weak steel & metal markets



- Demand for carbon products varies by region driven by steel, ferroalloys, and aluminium
- Global steel production in fourth quarter 2023 estimated down 3% compared to the previous quarter
  - Production down 4% in North America, and down 8% in China, while status quo in Europe
- Continued slow demand for carbon products in the fourth quarter due to weak steel and metal markets

Crude steel production (million mt)

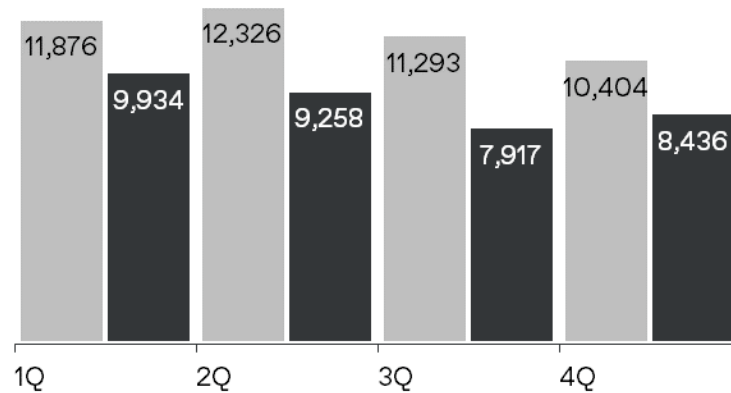




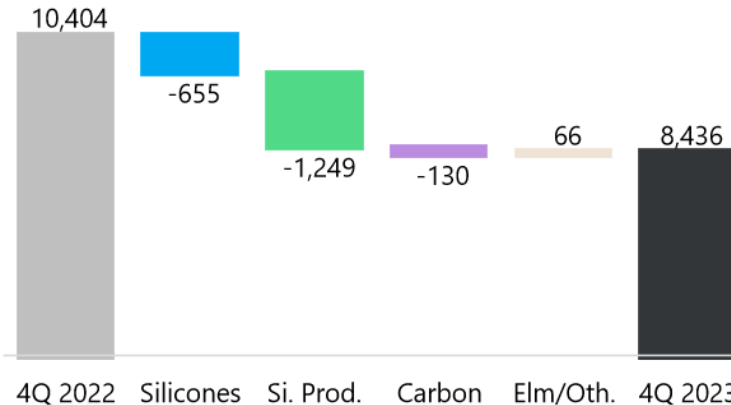
# Challenging markets, but signs of recovery and Silicones back to positive EBITDA

## Total operating income (MNOK)

- Down 19% from 4Q-2022, and up 7% from the preceding quarter

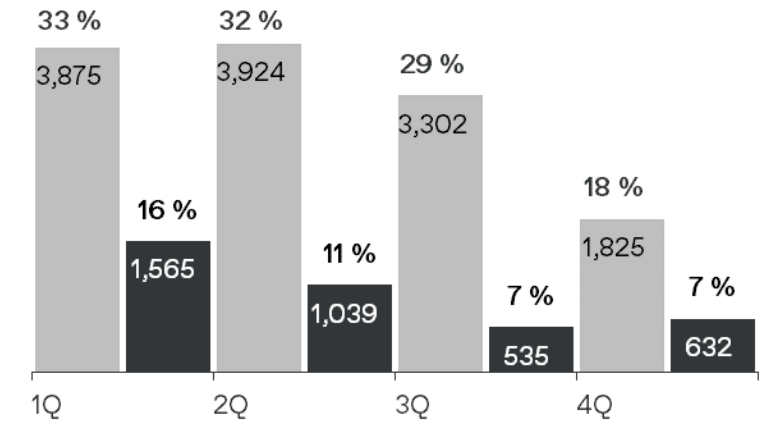


- Reduction from 4Q-2022 mainly explained by lower sales prices

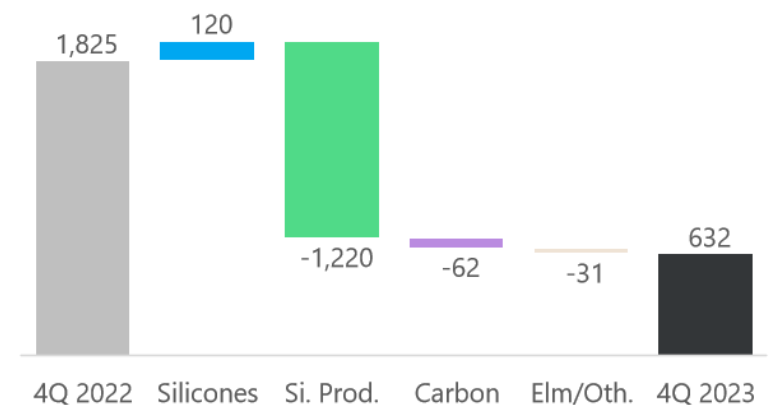


## EBITDA (MNOK)

- Down 65% from 4Q-2022, and up 18% from the preceding quarter



- Reduction from 4Q-2022 mainly explained by lower sales prices in Silicon Products



# Overview financial ratios

- EBITDA MNOK 632
  - Segment Other included realised currency hedging losses of MNOK -85
- Other items MNOK 84
  - Mainly consisting of gains on power and currency derivatives MNOK 165, partly offset by currency loss on working capital items MNOK -33 and restructuring expenses MNOK -43
- Net finance income (expenses) MNOK -261
  - Consisting of net interest expenses MNOK -170, currency losses of MNOK -89, and other financial expenses of MNOK -2
- Tax MNOK -90
  - Tax expenses of MNOK -90 despite negative profit before tax. Positive results in most countries more than offset by negative results in France and China where losses are not capitalised as deferred tax assets

## Consolidated key figures

<i>(NOK million, except where specified)</i>	4Q 2023	4Q 2022	YTD 2023	YTD 2022	FY 2022
Total operating income	8,436	10,404	35,545	45,898	45,898
EBITDA	632	1,825	3,771	12,925	12,925
EBIT <sup>(1)</sup>	-111	1,267	1,365	10,898	10,898
Other items	84	215	516	2,151	2,151
Net finance income (expenses)	-261	-208	-668	-161	-161
Profit (loss) before income tax	-351	1,178	951	12,236	12,236
Tax	-90	-254	-781	-2,594	-2,594
Profit (loss) for the period <sup>(2)</sup>	-461	894	72	9,561	9,561
<b>Key ratios</b>					
EPS (NOK per share)	-0.73	1.41	0.11	15.09	15.09
Equity ratio (%)	48 %	55 %	48 %	55 %	55 %
Net interest bearing debt (NIBD) <sup>(3)</sup>	9,450	2,615	9,450	2,615	2,615
Leverage ratio	2.5	0.2	2.5	0.2	0.2
Reinvestments % of D&A	107 %	146 %	102 %	84 %	84 %
ROCE (annualised) (%)	-1 %	16 %	4 %	39 %	39 %

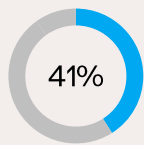
<sup>(1)</sup> Operating profit before other items and hedge adjustments

<sup>(2)</sup> Owners of the parent's share of profit (loss)

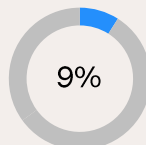
<sup>(3)</sup> Excluding non-current restricted deposits and interest-bearing financial assets

# Major improvements in challenging markets

- Total operating income of MNOK 3,489, down 16% from the fourth quarter last year
  - Mainly explained by lower sales prices and lower sales volume
- EBITDA was MNOK 68, up from a negative EBITDA in the fourth quarter last year
  - Mainly explained by lower raw material costs and improved sales mix, partly offset by lower commodity sales prices
  - In addition, positive impact from cost improvement programme
- Sales volume impacted by weak demand and reduced production



Share of operating income



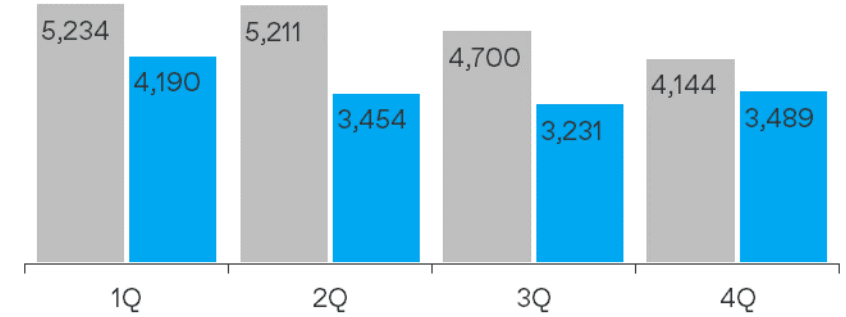
Share of EBITDA

Share of operating income from external customers ex. Other

Share of EBITDA ex. Other and Eliminations

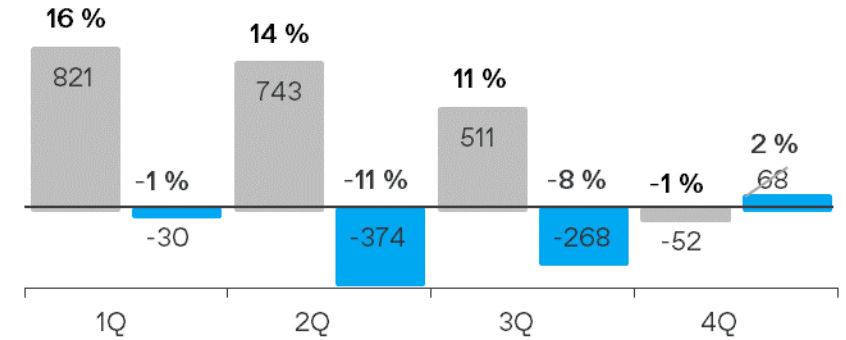
## Total operating income

NOK million



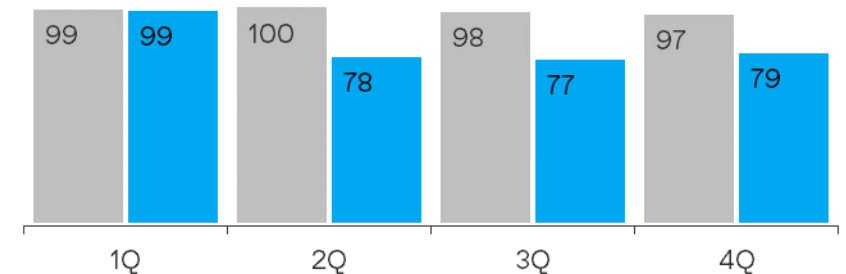
## EBITDA and margin

NOK million and %



## Sales volume

In 1,000 mt



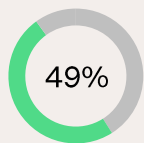
■ 2022

■ 2023

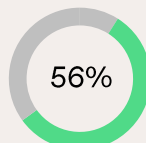


# Impacted by lower prices and production stops

- Total operating income of MNOK 4,336, down 22% from the fourth quarter last year
  - Lower operating income mainly explained by lower sales prices
- EBITDA of MNOK 401, down 75% from the fourth quarter last year
  - Mainly explained by lower sales prices and negative sales volume & mix effects, partly offset by lower costs
  - Maintenance stop in Iceland and fire at Salten negatively impacting EBITDA by MNOK 85
- Weak demand impacting sales volume



Share of operating income



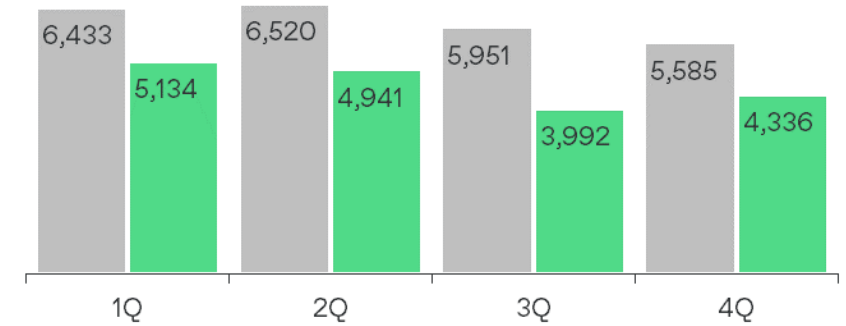
Share of EBITDA

Share of operating income from external customers ex. Other

Share of EBITDA ex. Other and Eliminations

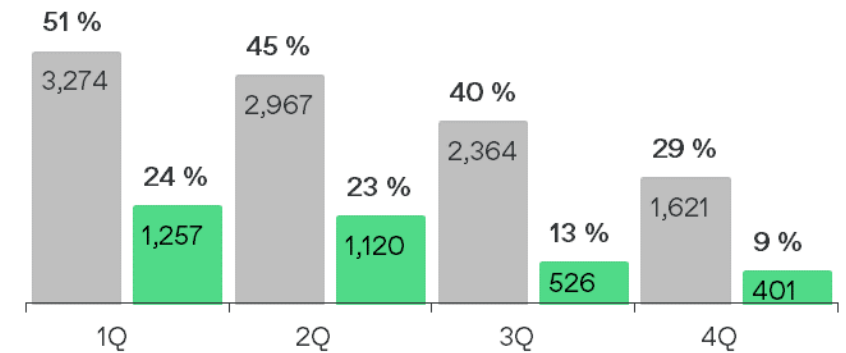
## Total operating income

NOK million



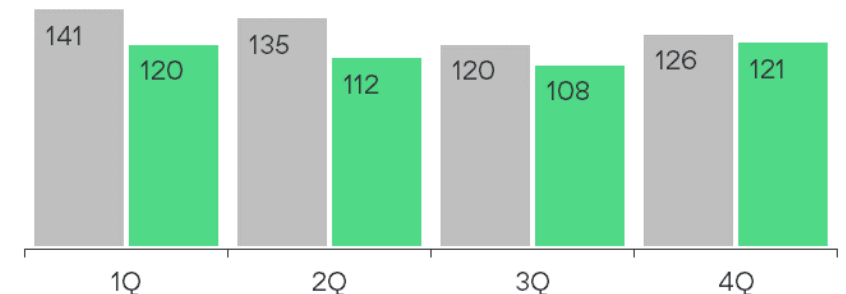
## EBITDA and margin

NOK million and %



## Sales volume

In 1,000 mt



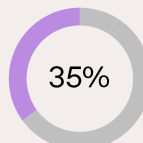
■ 2022  
■ 2023

# Best full-year result ever

- Total operating income MNOK 924, down 12% from the fourth quarter last year
  - Explained by lower sales volume, and lower sales prices
- EBITDA of MNOK 247, down 20% from the fourth quarter last year
  - Mainly explained by lower sales volume. Reduction in sales prices were offset by lower raw material costs
  - Best ever full-year EBITDA
- Lower sales volume due to general market slowdown and weak steel and metal markets



Share of operating income



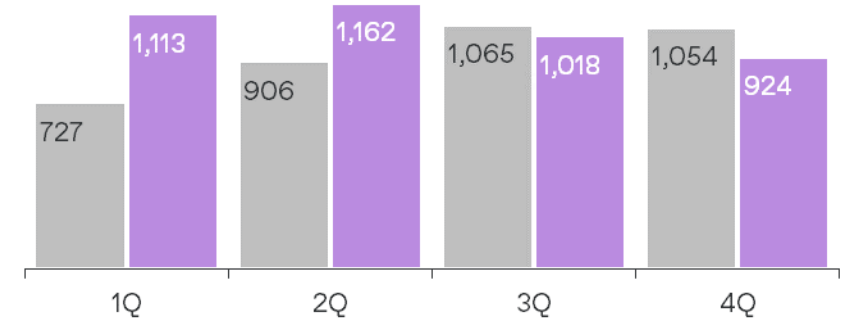
Share of EBITDA

Share of operating income from external customers ex. Other

Share of EBITDA ex. Other and Eliminations

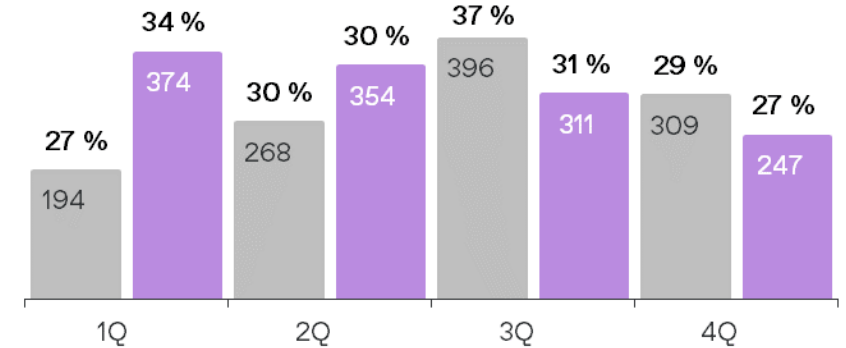
## Total operating income

NOK million



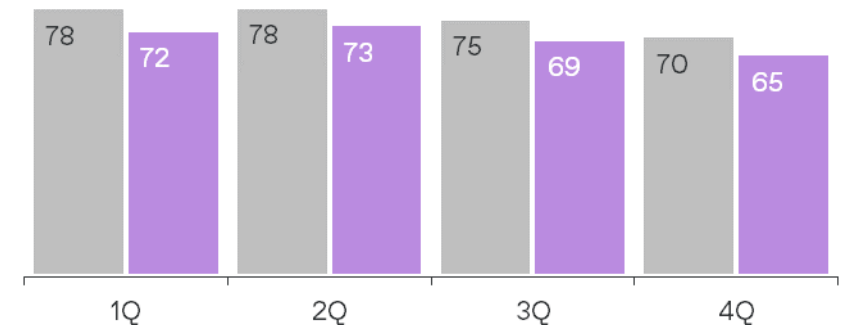
## EBITDA and margin

NOK million and %



## Sales volume

In 1,000 mt



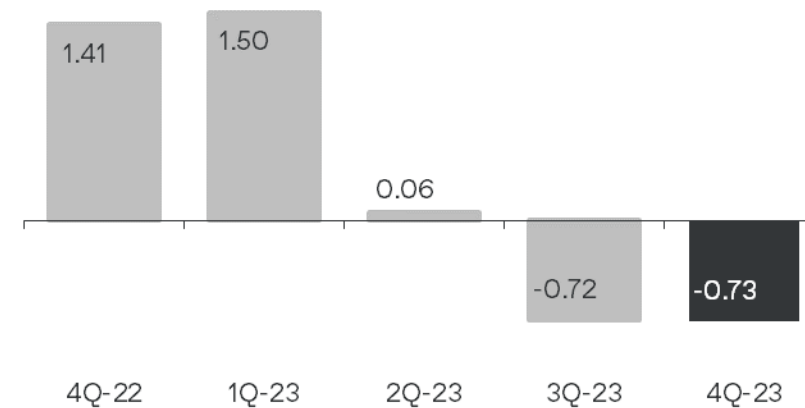
■ 2022  
■ 2023

# Low earnings per share, solid equity

- Earnings per share (EPS) amounted to NOK -0.73 in the fourth quarter
  - EPS YTD-2023 was NOK 0.11
  - Due to the low EPS, the board has proposed not to pay dividends for 2023
  
- Total equity amounted to BNOK 24.5 as at 31 December 2023, down BNOK 4.3 from year-end 2022 mainly explained by the dividend payment for 2022 of BNOK 3.9
  - Equity to total assets (equity ratio) of 48%

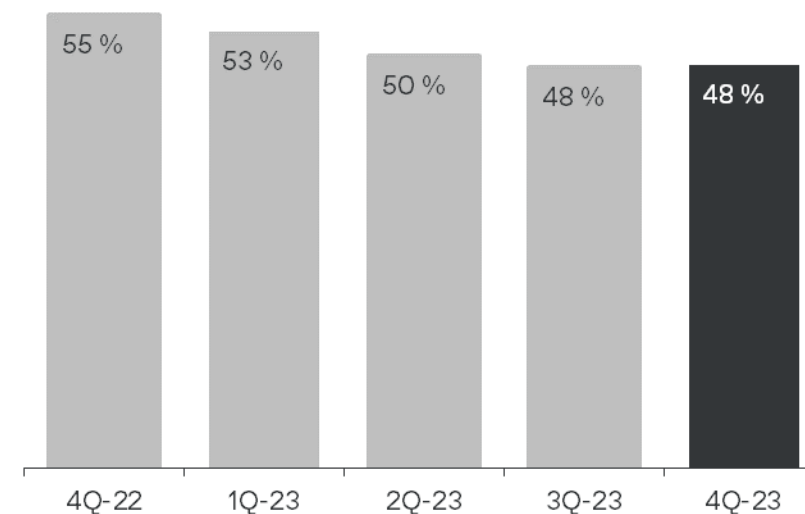
## Earnings per share (EPS)

NOK per share



## Equity ratio

In percent of total assets



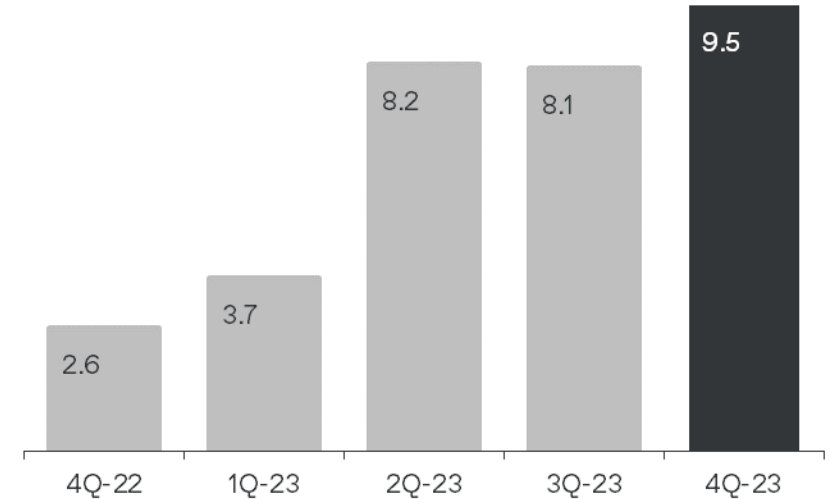


# Well managed financing position – investment grade rating affirmed

- Net interest-bearing debt (NIBD) of BNOK 9.5 as at 31 December 2023
  - Increased NIBD mainly explained by tax payments of BNOK 0.9 in Norway for 2022. Tax to be paid upon final tax assessment
  - Leverage ratio of 2.5x based on LTM EBITDA of BNOK 3.8
  
- Good financing position
  - In December 2023, Scope affirmed the investment grade rating of BBB, and changed the outlook from stable to negative
  - Well managed and distributed debt maturity profile
  - Debt maturities in China in 2024 consist of local working capital financing, which are regularly rolled over

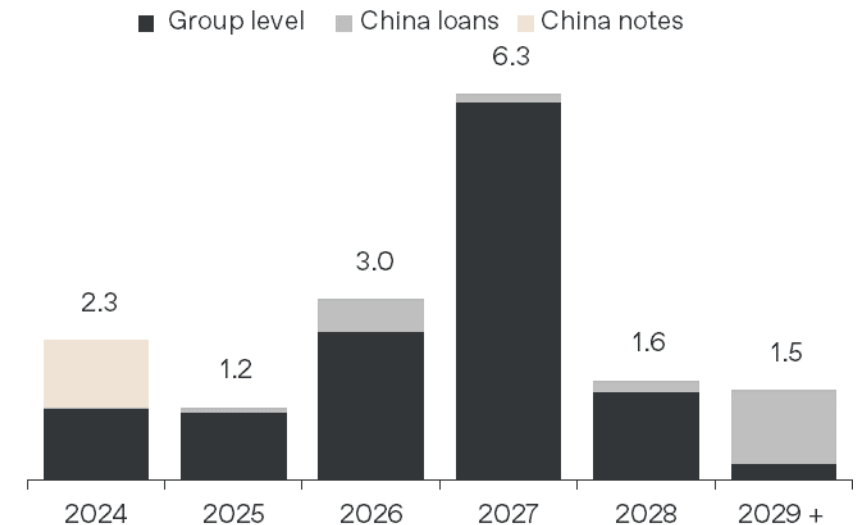
## Net interest-bearing debt (NIBD)

NOK billion



## Maturity profile

NOK billion



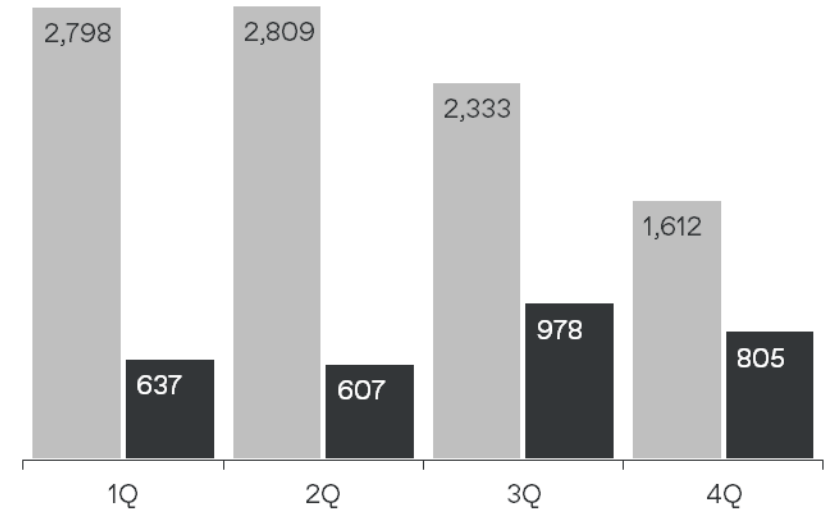
# Stable cash flow, reduced investment level

- Cash flow from operations<sup>(1)</sup> of MNOK 805 in the fourth quarter 2023
  - The cash flow was reduced from corresponding quarter last year, mainly due to lower EBIT. This was partly countered by positive working capital changes
  
- Investments ex. M&A of MNOK 1,499 in the fourth quarter 2023
  - Reinvestments were MNOK 699, amounting to 107% of D&A. Reinvestments YTD-2023 was 102% of D&A, higher than target of 80-90% due to accelerated maintenance projects
  - Strategic investments were MNOK 799, mainly related to Silicones projects in France and China

<sup>(1)</sup> Cash flow from operations is according to Elkem management definition and includes reinvestments

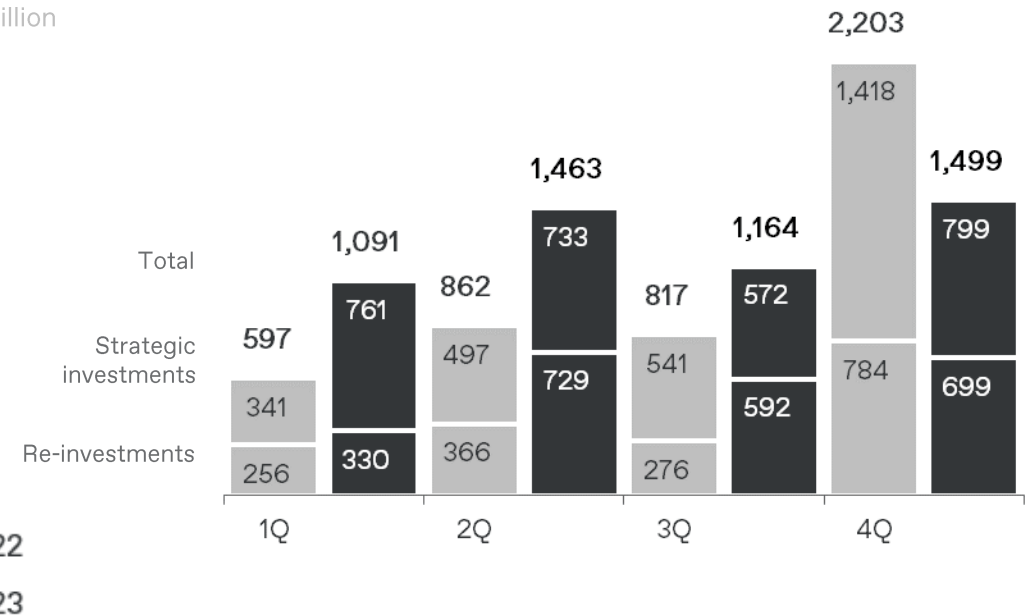
## Cash flow from operations

NOK million



## Investments ex. M&A

NOK million



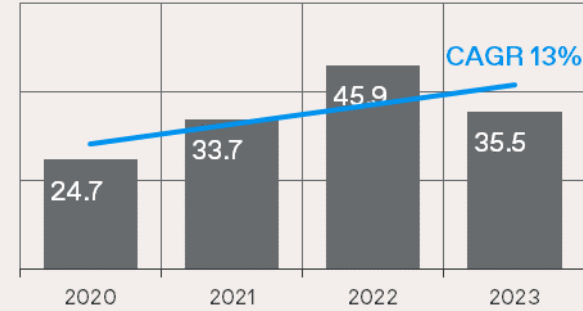
# Delivering good results over the business cycle

- Lower earnings in 2023 due to challenging market conditions and weak macro-economic sentiment
- Elkem is well positioned to benefit from an economic recovery due to good cost positions and robust financials
- Elkem delivering on its financial targets over the cycle
  - ✓ Operating income CAGR 13% vs target of > 5% per year
  - ✓ EBITDA margin 18% vs target of 15 - 20%
  - ✓ Leverage ratio 1.6x vs target of 1.0 – 2.0x

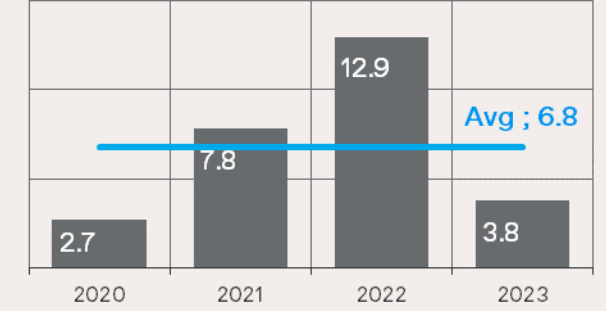


Figures in NOK billion unless otherwise stated

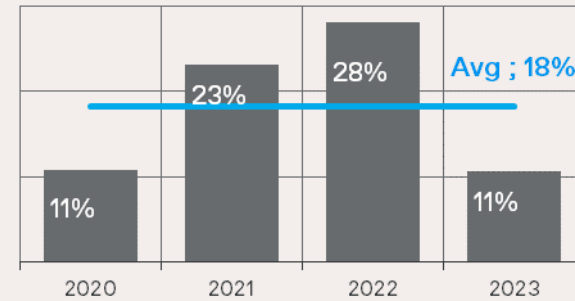
Operating income



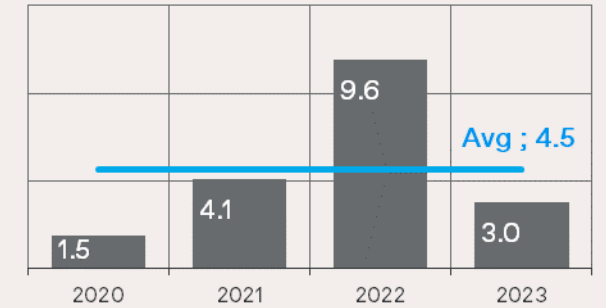
EBITDA



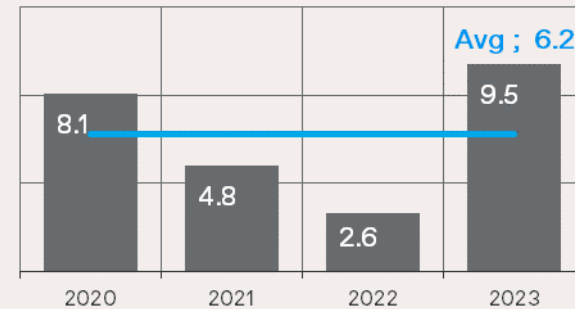
EBITDA margin



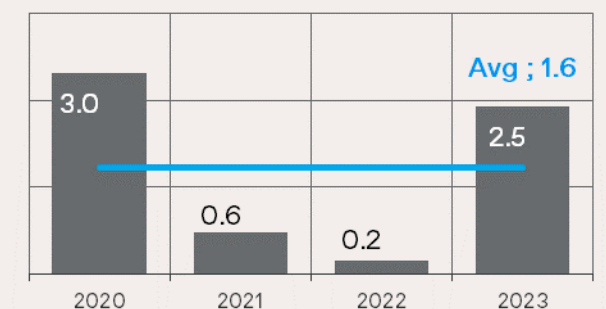
Cash flow from operations



NIBD



Leverage ratio





# Outlook for the first quarter 2024

- Markets still challenging going into the first quarter. Elkem focusing on extraordinary EBITDA improvements to counter weak demand
- Silicones markets expected to remain challenging in the first quarter and impacted by Chinese New Year. Demand in China expected to improve, but overcapacity still an issue, keeping sales prices under pressure. Specialties could improve as destocking comes to an end
- Silicon Products will see some effects of rising market prices for silicon and ferrosilicon, but this is partly offset by lower prices on specialties. Limited negative EBITDA impact from delayed start-up in Iceland and the stop at Salten
- Continued slow market conditions for Carbon Solutions, but Elkem benefitting from strong market positions



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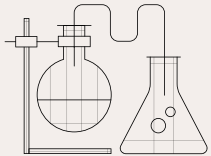


# Appendix

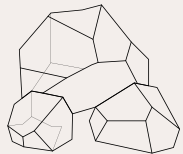


# We are Elkem

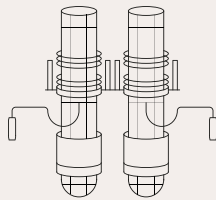
Advanced silicon-based materials shaping a better & more sustainable future



Silicones



Silicon Products



Carbon Solutions





# Elkem celebrating its 120 years anniversary

- **Elkem celebrates its 120 years anniversary in 2024, having grown from a Norwegian industrial start-up into a position as one of the world's leading providers of advanced silicon-based materials**
- Elkem started as a Norwegian company founded in 1904 by Sam Eyde, representing strong industrial traditions and continuous improvement
- The chemical business in France was integrated in 2015 adding a strong culture for specialisation, innovation and R&D
- Our presence in China was significantly expanded in 2018, adding to the dynamic and agile business perspective, and positioning for the Asian market



# Sustainable business model delivering good results

## Low cost sustainable input factors



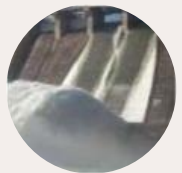
Quartz



Coal



Biocarbon



Power

## High temperature/chemical production processes



Silicones



Silicon, ferrosilicon, foundry products and microsilica



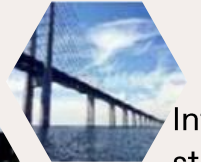
Carbon solutions

## Examples of high value applications and markets

Wind turbines



Infrastructure



Airbags



Solar



Automotive EV



Electronics



Cooking, utensils



Release coating



Financial figures FY-2023



Total operating income

NOK 35.5 bn.



EBITDA

NOK 3.8 bn.



EBITDA margin

11 %



Head office in Norway

31 plants worldwide



Employees worldwide

~ 7,400



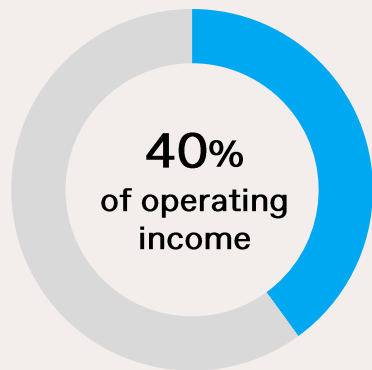
R&D centres in Norway, France and China

>600 R&D people

# Elkem operates through three divisions: All with global scale, leadership positions and global footprint

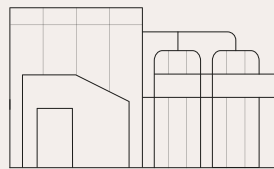
## Silicones

Fully integrated silicones manufacturer with focus on specialities



### End markets

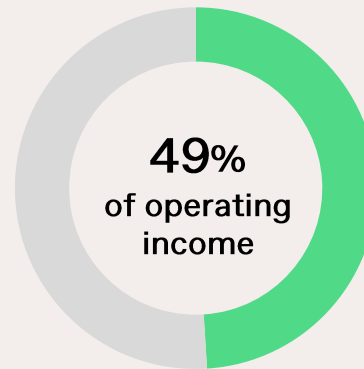
- Construction
- Automotive
- Chemical formulators
- Personal care
- Healthcare
- Paper & film release
- Silicone rubber
- Textile



14 main plants

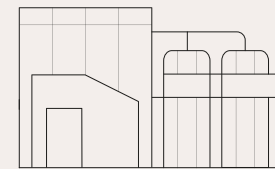
## Silicon Products

Global producer and provider of silicon, ferrosilicon and specialties



### End markets

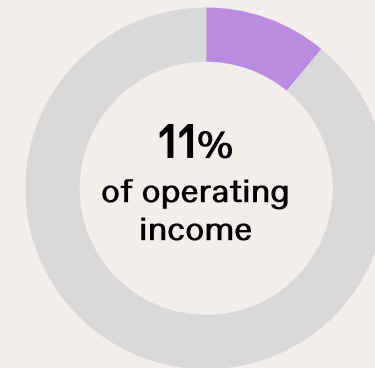
- Automotive
- Construction/industrial equipment
- Electronics
- Specialty steel
- Solar & wind turbines
- Refractories
- Oil & gas



10 main plants

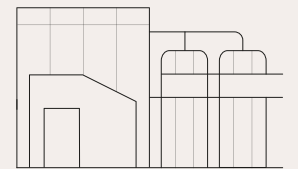
## Carbon Solutions

Leading producer of electrode paste and specialty products



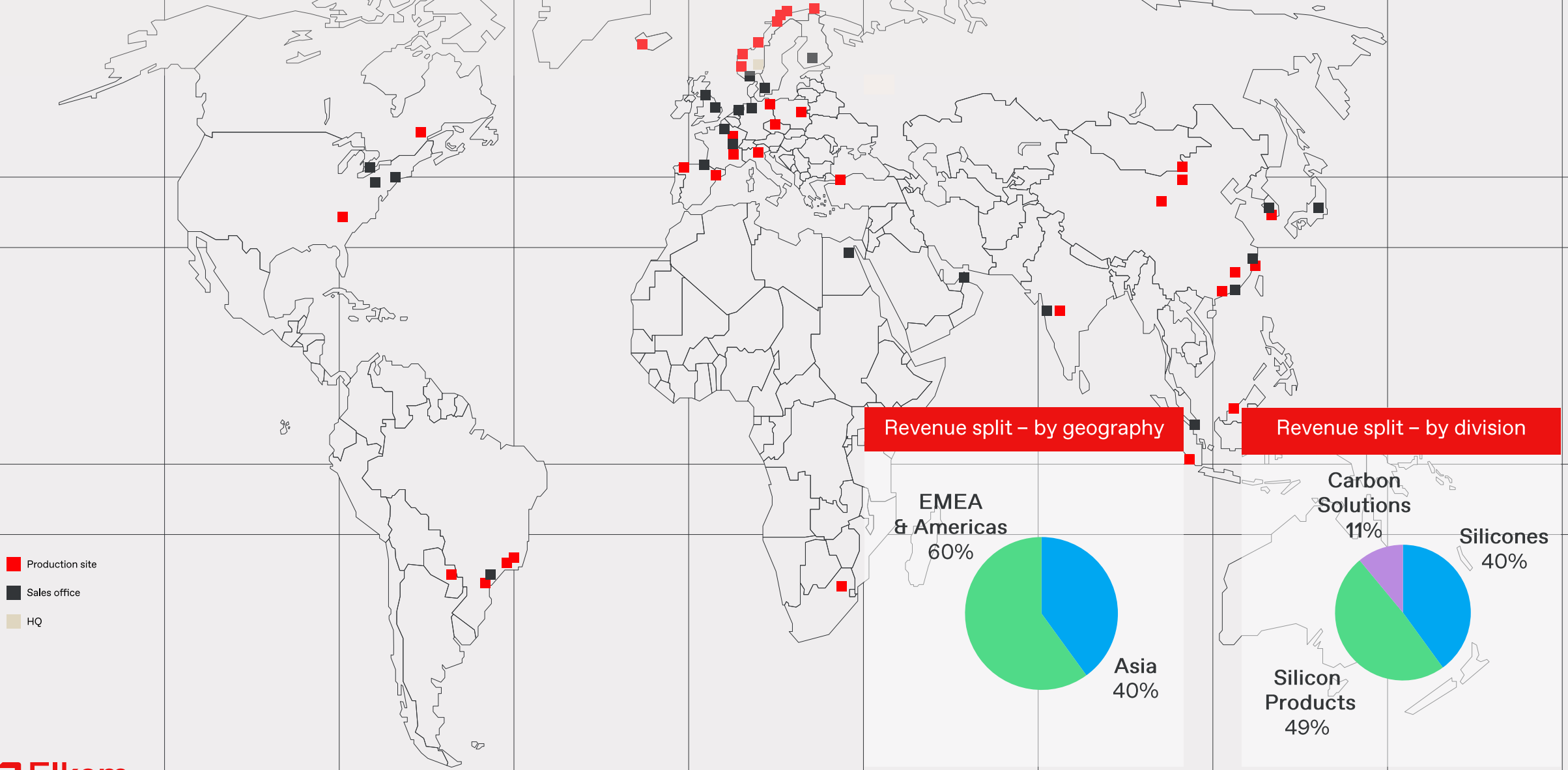
### End markets

- Ferroalloys
- Silicon
- Aluminium
- Iron foundries



7 main plants

# Elkem's portfolio is well-balanced





# Elkem is committed to reduce emissions and contribute in line with Paris agreement aim of well below 2°C warming

We aim to contribute to a better climate through three key levers:



**Reducing our emissions**  
Achieving fully climate neutral production throughout our value chain



- **By 2031:** Reducing absolute emissions\* by **28%** from 2020-2031 while growing the business – delivering 39% improvement in product footprint\*\*
- **By 2050:** Achieving fully carbon neutral production (zero fossil emissions) globally



**Supplying to the transition**  
Providing the advanced material solutions required to enable the green transition



- **Grow supplies of advanced materials to green markets** such as better buildings, electric vehicles and renewable energy
- **Build new business in green markets** such as battery materials, biomass and energy recovery



**Enabling circular economies**  
Enabling more circular activities in our operations, products and markets



- **Increase recycling** in our own operations
- **Increase recycling** with our customers
- **Develop the eco-design of innovative products**

Elkem Climate Roadmap :

# Elkem's actions: Reducing our emissions

Elkem will reduce fossil CO<sub>2</sub> emissions in line with the Paris agreement: We will contribute to limiting long-term temperature according to Paris agreement

By 2031:

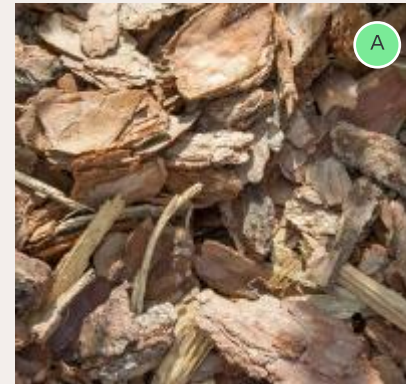
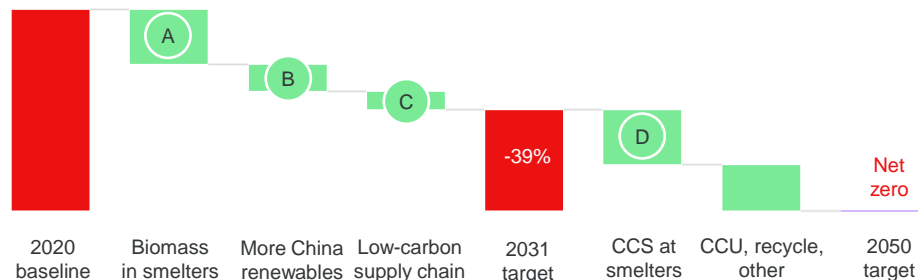
- Reducing absolute emissions\* by 28% from 2020-2031
- Delivering 39% improvement in product footprint\*\*

By 2050:

- Achieving fully carbon neutral production (zero fossil emissions) globally

Our roadmap to climate neutral products

(Illustrative)



## Changing to biomass as reduction material

Increasing share of bio-based materials from wood waste as reduction material in our smelters



## Low-carbon supply chain

Actively pursue long-term sourcing of renewable-based silicon metal as well as emission-free logistics



## Shifting to renewable power also in China

Future decarbonisation of China's power mix will support Elkem's low carbon transition



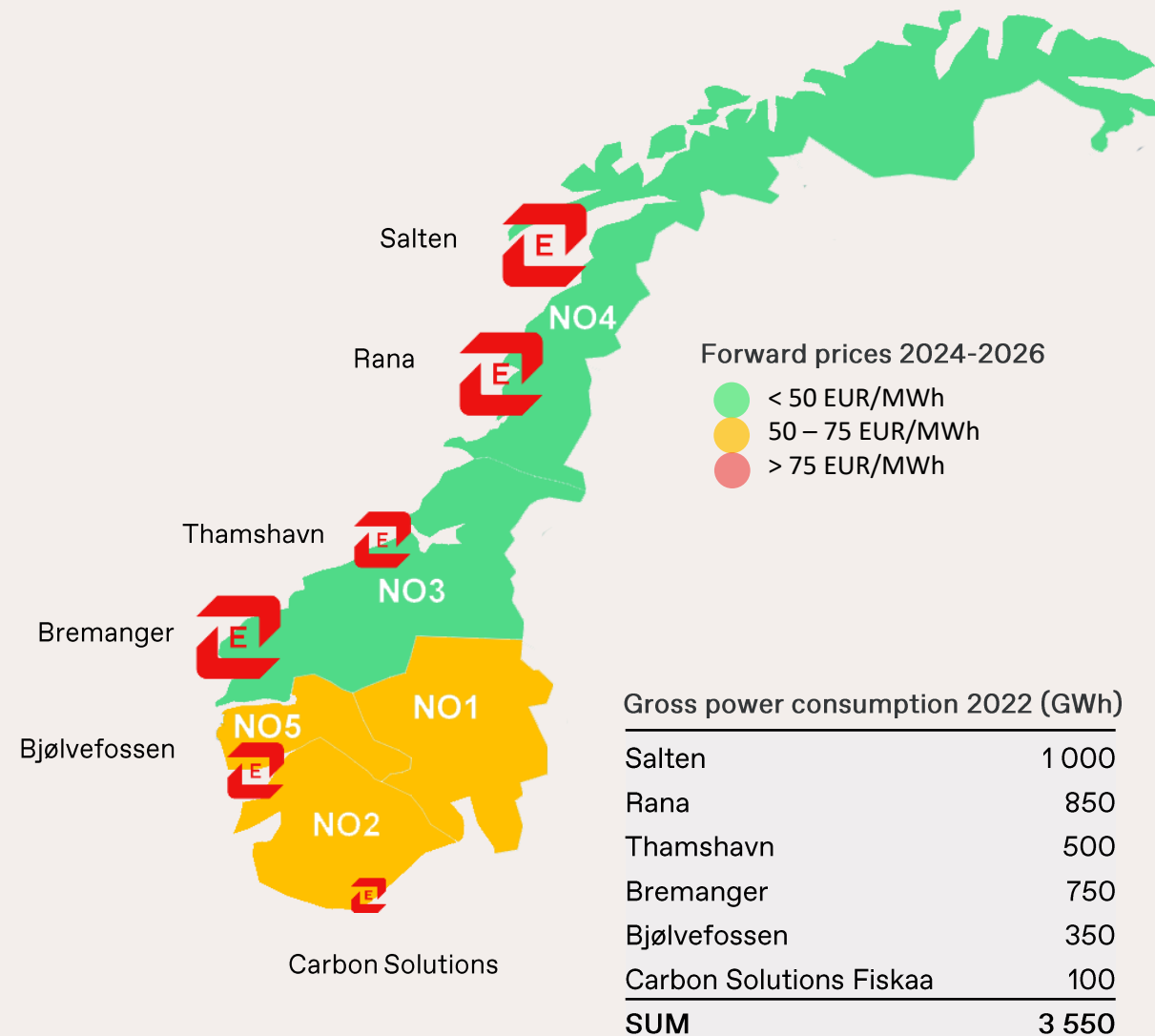
## Exploring potential of more CCS at smelters

Exploring both Carbon Capture & Utilisation (CCU) and Carbon Capture & Storage (CCS) at our smelters

# Well covered by long-term power contracts

- Elkem is well-positioned with long-term power contracts in Norway with more than 80% of the electricity supply secured at competitive rates until 2026. After 2026, the hedging ratio is gradually declining
- Elkem is continuously evaluating the market conditions for new long-term contracts
- In 2023, Elkem secured competitive access to power by entering into new contracts for up to 11 years, totaling 520 GWh p.a. The contracts are covering the plants in Bremanger, Rana and Salten in price area NO3 and NO4

Location of Elkem's plants in price areas



# Solutions to global megatrends

## Total production capacity

- 80,000 mt in France (exp. to 100,000 mt in 2024)
- 240,000 mt in China (exp. to 360,000 mt in 2024)
- Downstream specialty plants : 7 in EMEA/AMs and 4 in APAC



## Product properties

- Silicones bring unparalleled properties and performances : long-term reliability, thermal management, electrical & fire safety, lightweighting, biocompatibility, adhesion



## Market positions

- One of five global players
- Top 3 producer in China in terms of production capacity



## Rising middle class

- Release coating
- Personal Care
- Processing aids

### Industry players - examples



## Digitalisation

- Thermo-conductive potting
- Semiconductors assembly
- Moisture & shock protection

### Industry players - examples



## Ageing population

- Prosthetics precision moulding
- Implantable materials
- Medical adhesives

### Industry players - examples



## Mobility

- Battery thermal management
- Lightweight materials assembly
- Lubricant & transmission fluids
- Airbag textile coating

### Industry players - examples



## Decarbonisation

- Solar panels assembly
- Nuclear grades silicones
- Energy efficient sealant

### Industry players - examples

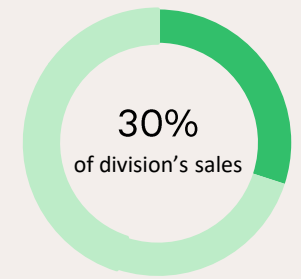




# Serving attractive end-markets with advanced technologies



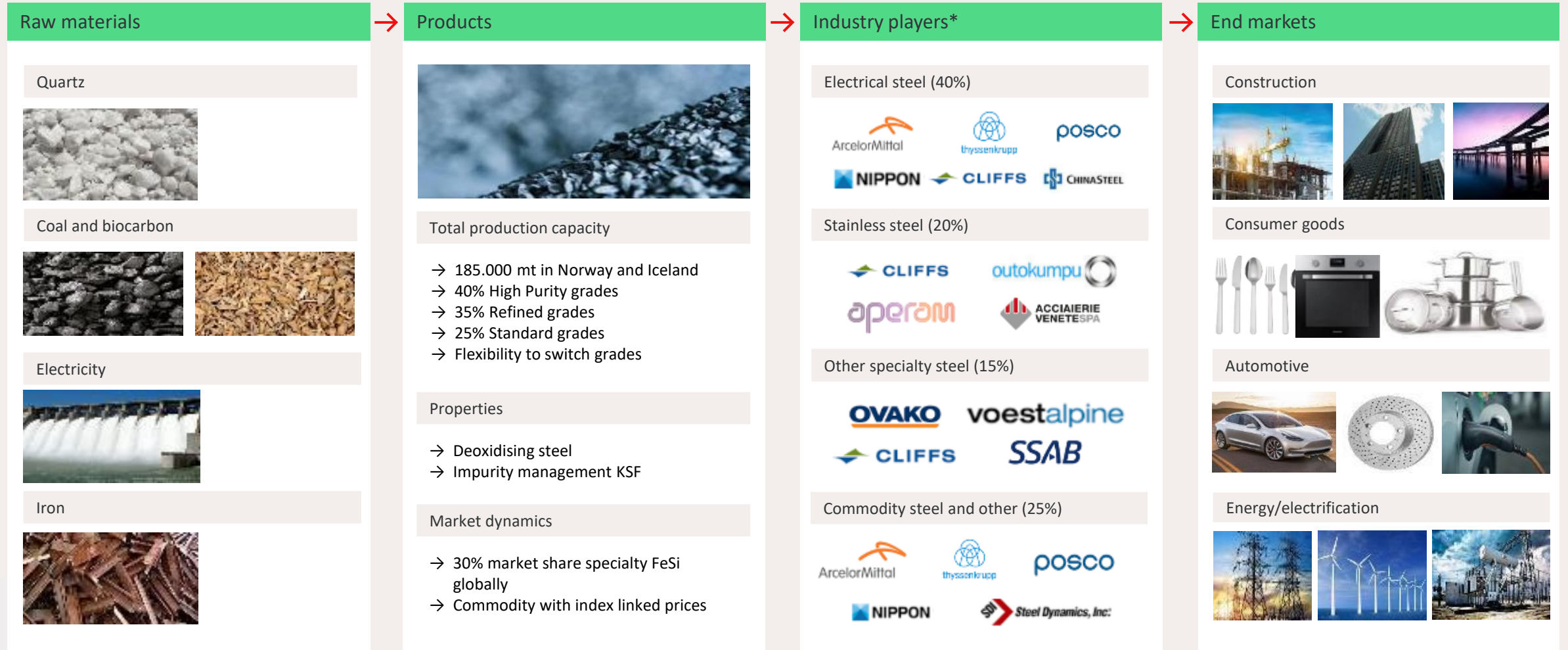
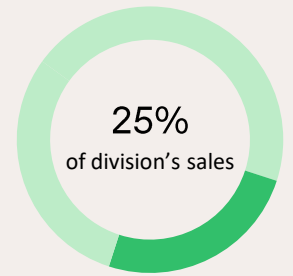
# Silicon – attractive cost position and downstream integration



\* Of which 50.000 mt at Yongdeng plant (internal supplier to Elkem Xinghuo) reported in Elkem Silicones

\*\* Split of silicon revenues by segment – companies named are examples and not necessarily customers

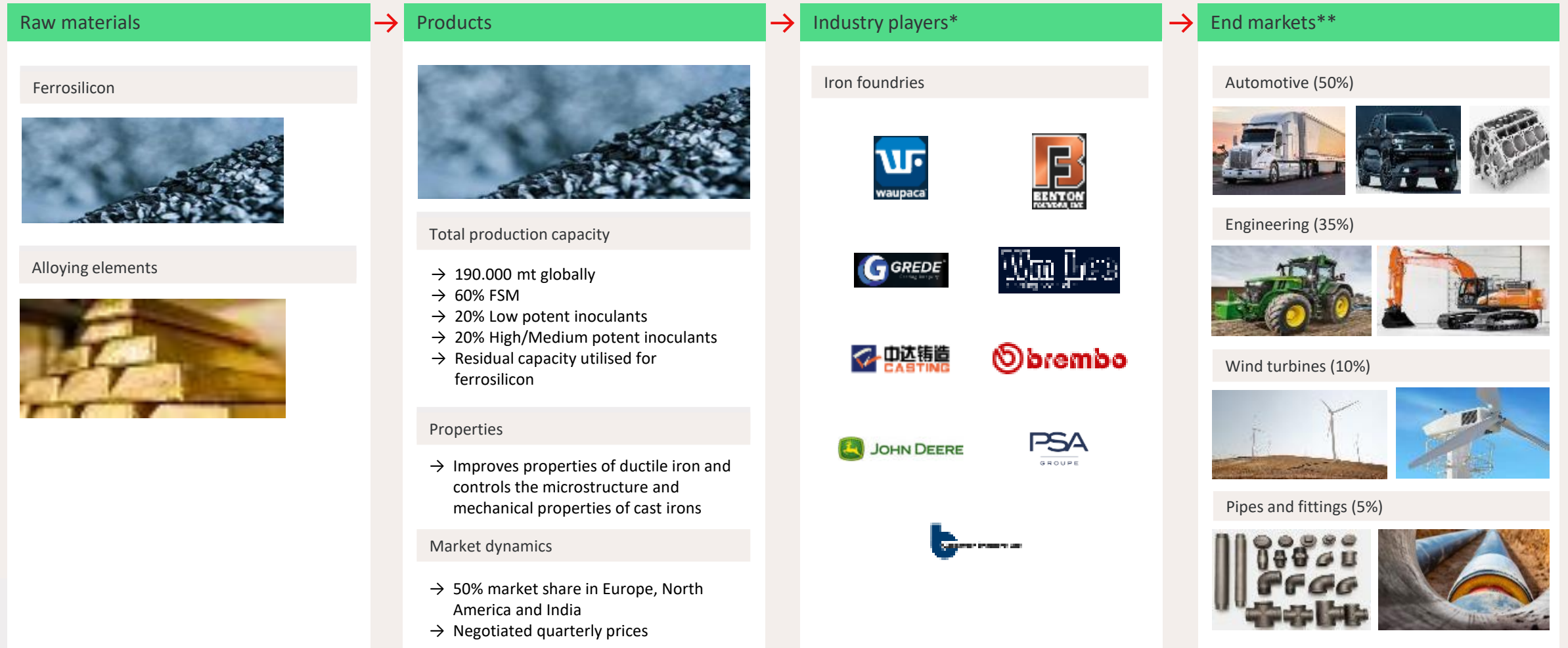
# Ferrosilicon – high quality products to specialty steel



\* Split of ferrosilicon revenues by segment – companies named are examples and not necessarily customers



# Foundry Alloys – global leader into cast iron metal treatment

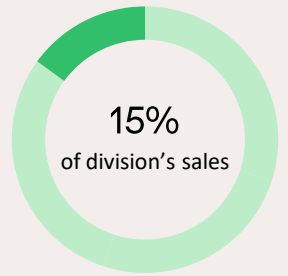


\* Companies named are examples and not necessarily customers

\*\* Split of foundry alloys revenues by end market



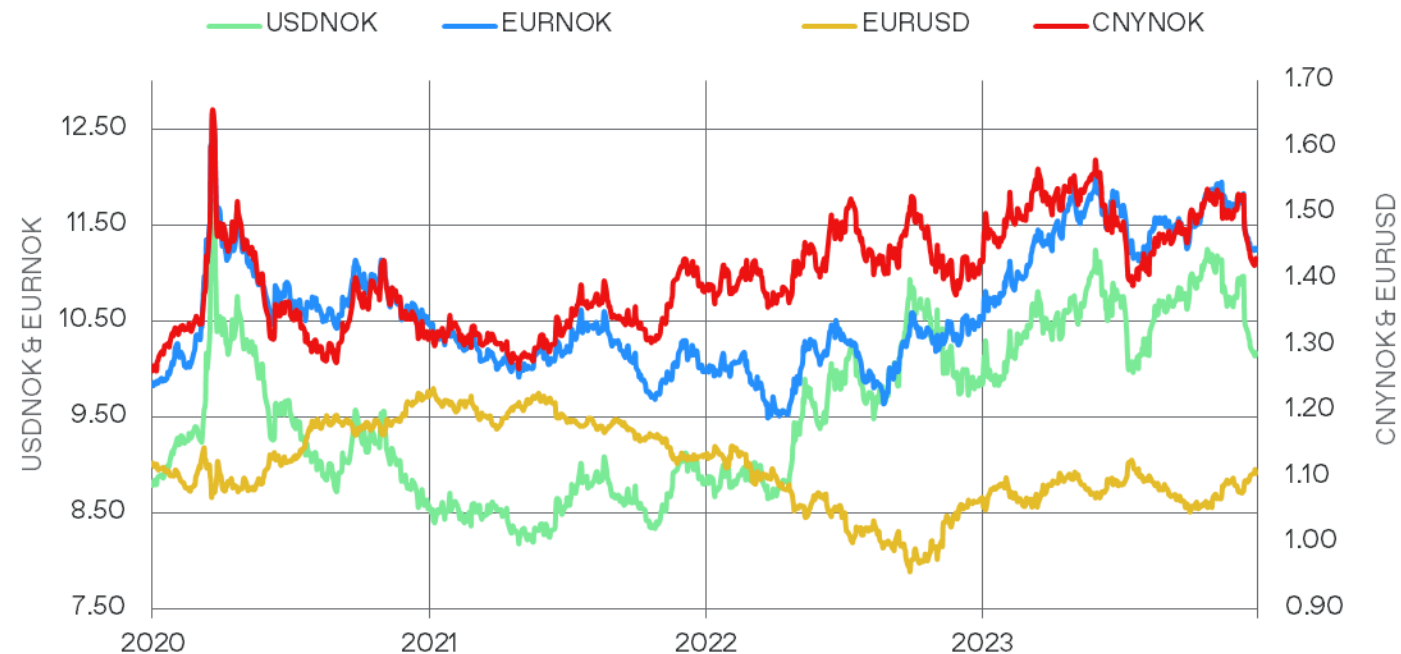
# Microsilica – tailor made products to wide range of specialty applications



\* Split of microsilica/ materials revenues by segment – companies named are examples and not necessarily customers

# Currency sensitivity

- The result and cash flow are exposed to currency fluctuations. The main currencies are EUR, USD and CNY
  - EUR - exposure approx. MEUR 550
  - USD - exposure approx. MUSD 100
  - CNY - exposure approx. MCNY 200
- Current cash flow hedging programme
  - 90% hedging of net cash flows occurring within 0-3 months
  - 45% hedging of forecasted net cash flows within 4-12 months
- Before hedging activities, a 10% strengthening or weakening of NOK versus all other currencies would have an EBITDA effect of approx. MNOK 800 over the coming 12 months. CNY is not hedged



## Currency development

- As of 31 December 2023, the NOK closed almost unchanged against the EUR, 4% stronger against USD, and 2% stronger against CNY compared to 30 September 2023
- In 4Q-2023, the NOK was on average 12% weaker against EUR, 6% weaker against USD, and 5% weaker against CNY compared to 4Q-2022

# Other financial sensitivities

## POWER

- Electric power is a key input factor in Elkem's production. The normal consumption is around 6.5 TWh of which approx. 3.6 TWh is in Norway. Near term exposure to spot power prices is limited
  - Norway, hedging programme mainly consisting of long-term contracts covering around 80% of full capacity consumption until 2026. After 2026, Elkem has a high but gradually declining hedging ratio in line with its long-term hedging strategy
  - Outside Norway, power prices are mostly based on long term contracts or regulated power tariffs

## SALES PRICES

- Changes in sales prices could significantly affect operating income and EBITDA
  - 10% price change on silicon metal is expected to affect result by approx. MNOK 100 per year<sup>(\*)</sup>
  - 10% price change on ferrosilicon is expected to affect result by approx. MNOK400 per year<sup>(\*)</sup>

*(\*) Sensitivities are on group level and based on annual sales volumes. Sales prices are based on LTM CRU prices.*



Delivering your potential