



First quarter results 2024



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Highlights 1st quarter 2024

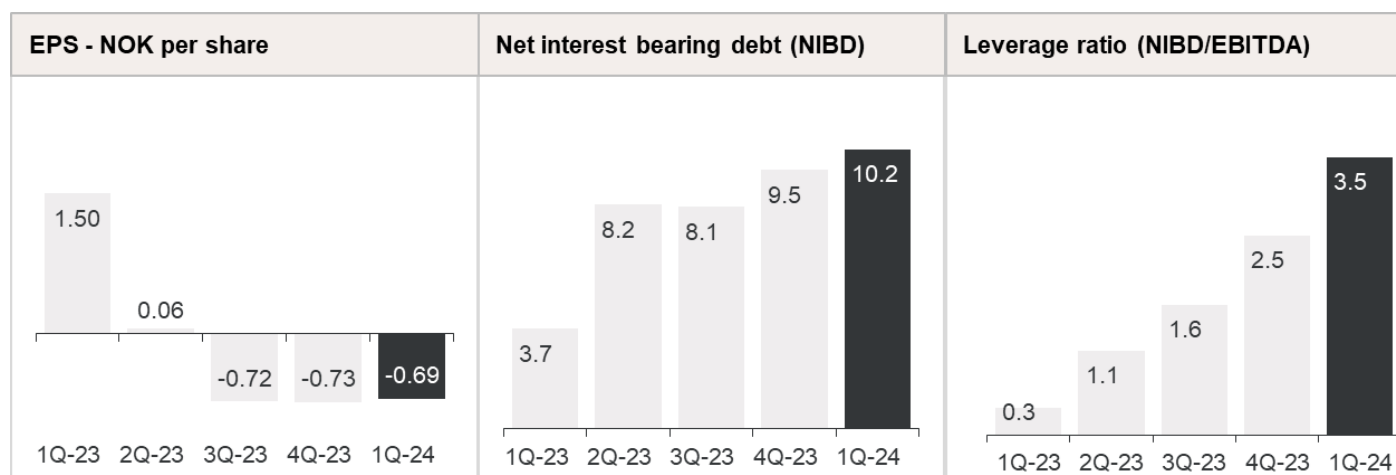
- Elkem's EBITDA was NOK 721 million in the first quarter 2024.
- The Silicones division has experienced weak market conditions, particularly before Chinese New Year. Weak demand for specialities.
- Silicon Products delivered better results compared to the previous quarters, gradually benefitting from higher commodity market prices.
- Carbon Solutions delivered another strong quarter, despite slow demand.
- Strong focus on improving core business, decision to exit Vianode investment.

Key figures

<i>(NOK million, except where specified)</i>	1Q 2024	1Q 2023	YTD 2024	YTD 2023	FY 2023
Total operating income	7,961	9,755	7,961	9,755	34,760
EBITDA	721	1,565	721	1,565	3,771
EBITDA margin (%)	9%	16%	9%	16%	11%
EBIT ⁽¹⁾	114	1,025	114	1,025	1,365
Profit (loss) for the period ⁽²⁾	-439	952	-439	952	72
Earning per share (EPS) <i>(NOK per share)</i>	-0.69	1.50	-0.69	1.50	0.11
Equity ratio (%)	49%	53%	49%	53%	48%
Net interest-bearing debt (NIBD)	10,206	3,670	10,206	3,670	9,450
Cash flow from operations	759	637	759	637	3,027
ROCE - annualised (%)	1%	13%	1%	13%	4%

(1) Operating profit before other items and hedge adjustments

(2) Owners of the parent's share of profit (loss)



EBITDA improvement from modest levels

Elkem's EBITDA in the first quarter 2024 improved compared to the preceding two quarters despite challenging market conditions. Commodity sales prices have improved during the quarter, but demand is still weak. There are signs of demand recovery, but the uncertainty is still significant.

Elkem's total operating income for the first quarter 2024 was NOK 7,961 million, which was in line with the preceding quarters, but down 18% from the first quarter 2023. Earnings before interest, taxes, depreciation and amortisation (EBITDA) was NOK 721 million, which was up from the previous two quarters, but down from the first quarter 2023. Earnings per share (EPS) was NOK -0.69 in the quarter, impacted by negative mark-to-market effects.

The result for the Silicones division was hampered by weak market conditions and Chinese seasonality. The division presented a negative EBITDA contribution in quarter, but there are signs that demand is picking up. The Silicon Products divisions delivered improved results compared to the preceding two quarters, benefitting from higher sales prices for silicon and ferrosilicon and continued strong performance from specialty segments. The Carbon Solutions division delivered another strong result, despite low sales volume.

The macro-economic sentiment has been challenging in 2023, characterised by high inflation, interest rate hikes, and geopolitical uncertainties. The global macro-economic outlook for 2024 is still modest.

To counter challenging market conditions, Elkem has introduced a comprehensive improvement programme. The target is to improve EBITDA by at least NOK 1.5 billion and to reduce capital expenditures by NOK 2.0 billion compared to 2023. The programme is well underway. In the first quarter Elkem realised EBITDA improvements of NOK 0.2 billion, with an estimated full-year effect for 2024 of NOK 0.8 billion. Elkem's capital expenditures in the first quarter was down to NOK 0.6 billion, providing a clear trajectory to reach target. In line with the plan to reduce capital expenditures, Elkem has decided to exit its investment in Vianode.

In the first quarter 2024, Elkem signed a new long-term power contract in Norway. The contract is for nine years and expires end of 2035. Elkem is well-positioned with long-term power contracts in Norway with around 80% of the electricity supply secured until end of 2027.

The group's equity as at 31 March 2024 amounted to NOK 24,743 million, which gave a ratio of equity to total assets of 49%. Net interest-bearing debt was NOK 10,206 million, which gave a ratio of net interest-bearing debt to EBITDA of 3.5x. Elkem had cash and cash equivalents of NOK 5,849 million as at 31 March 2024, and undrawn credit lines of more than NOK 6,000 million.

There have been signs of recovery in the first quarter, but the uncertainty is still significant. The demand for silicones in Europe and US show signs of picking up. There is improved demand also in China, but the price development is hampered by overcapacity. Elkem's expansion in China will come on stream in May, but the financial impact is limited in the second quarter. Silicon Products is expected to benefit from the commodity price increases for silicon and ferrosilicon seen in the first quarter. Stable conditions are expected for Carbon Solutions, with some signs of demand improvement in specific markets.

Financial review

Group results

KEY FIGURES	1Q 2024	1Q 2023	YTD 2024	YTD 2023	FY 2023
<i>NOK million</i>					
Total operating income	7,961	9,755	7,961	9,755	34,760
EBITDA	721	1,565	721	1,565	3,771
EBIT	114	1,025	114	1,025	1,365
Other items	-198	553	-198	553	516
Net financial items	-38	-109	-38	-109	-668
Profit (loss) before income tax	-311	1,385	-311	1,385	951
Tax	-103	-403	-103	-403	-781
Profit (loss) for the period	-414	983	-414	983	170

Quarter and year to date

Elkem group had total operating income of NOK 7,961 million in 1Q-2024, which was down 18% from NOK 9,755 million in 1Q-2023. Lower operating income was mainly explained by lower sales prices and lower sales volume.

The group's EBITDA for 1Q-2024 was NOK 721 million, down 54% from NOK 1,565 million in the corresponding quarter last year. Lower EBITDA was mainly explained by lower sales prices for Silicon Products. The result for the Silicones division was weak in the first quarter impacted by generally weak market conditions and Chinese seasonality. The Carbon Solutions division delivered another strong result despite a lower sales volume in the quarter.

EBIT for 1Q-2024 was NOK 114 million, down from NOK 1,025 million in 1Q-2023.

Other items include fair value changes from commodity contracts, gains (losses) on embedded derivatives in power contracts, value changes from currency forward contracts and other income and expenses. Other items amounted to NOK -198 million in 1Q-2024, mainly consisting of losses on power and currency derivatives NOK -217 million and restructuring expenses NOK -13 million, which was partly offset by currency gains on working capital items NOK 32 million.

Net financial items were NOK -38 million in 1Q-2024, compared to NOK -109 million in 1Q-2023. Net interest expenses amounted to NOK -186 million, which was an increase compared to NOK -97 million in the corresponding quarter last year, mainly explained by higher interest rates. Gains on foreign exchange amounted to NOK 153 million, compared to a loss of NOK -7 million in 1Q-2023. The foreign exchange gains in 1Q-2024 were mainly explained by positive translation effects on group loans. Other financial expenses amounted to NOK -5 million.

Profit before income tax was NOK -311 million in 1Q-2024 compared to NOK 1,385 million in 1Q-2023.

Tax expenses in the quarter was NOK -103 million, despite negative profit before tax, due to losses not being capitalised as deferred tax assets.

Profit for the period was NOK -414 million, compared to NOK 983 million in 1Q-2023. Owners of the parent's share of profit was NOK -439 million, which gave earnings per share (EPS) of NOK -0.69 in 1Q-2024.

Elkem has with effect from 1 January 2024 changed the presentation of grants related to income, the presentation of capitalised salary of own developed fixed and intangible assets, and the changes in inventories of finished goods and work in progress for the activity cost part. These changes are impacting other operating income and cost items. The result for 2023 has been restated. Please refer to note 9 for further details.

Cash flow

CASH FLOW FROM OPERATIONS	1Q 2024	1Q 2023	YTD 2024	YTD 2023	FY 2023
<i>NOK million</i>					
EBIT	114	1,025	114	1,025	1,365
Amortisation, depreciation and impairment	607	540	607	540	2,406
Changes in working capital	311	-606	311	-606	1,584
Reinvestments	-298	-330	-298	-330	-2,351
Equity accounted investments	25	7	25	7	22
Cash flow from operations	759	637	759	637	3,027
Other cash flow items	-1,478	934	-1,478	934	-6,044
Change in cash and cash equivalents	-720	1,571	-720	1,571	-3,017

Elkem's internal cash flow measure is defined and described in the APM appendix to the report.

Quarter and year to date

Cash flow from operations was NOK 759 million in 1Q-2024, compared to NOK 637 million in 1Q-2023. Improved cash flow from operations was mainly explained by working capital changes. The working capital was reduced by NOK 311 million in 1Q-2024, compared to an increase of NOK 606 million in the corresponding quarter last year. The reduction in working capital was mainly due to lower inventories and trade receivables.

Reinvestments were NOK -298 million in 1Q-2024, which amounted to 49% of depreciation and amortisation (D&A). Strategic investments were included in other cash flow items and amounted to NOK 318 million, down from NOK 761 million in 1Q-2023. The strategic investments were mainly related to the Silicones expansion and specialisation projects in China and France. Other cash flow items also include repayment of a bond loan of NOK 646 million which matured in February 2024.

Change in cash and cash equivalents was NOK -720 million in 1Q-2024. Currency exchange differences were NOK 201 million. As at 31 March 2024, the total cash and cash equivalents amounted to NOK 5,849 million down from NOK 6,367 million as at 31 December 2023.

Financial position

FINANCIAL POSITION	YTD 2024	YTD 2023	FY 2023
Total equity (NOK million)	24,743	29,861	24,458
Equity ratio (%)	49%	53%	48%
EPS (NOK per share)	-0.69	1.50	0.11
Net interest bearing debt (NOK million) ⁽¹⁾	10,206	3,670	9,450
Leverage ratio based on LTM EBITDA (ratio)	3.5	0.3	2.5

¹⁾ Excluding receivables from related parties, loans to external parties, accrued interest income and non-current other restricted deposits

Quarter and year to date

Elkem's equity as at 31 March 2024 was NOK 24,743 million, up NOK 285 million from 31 December 2023. The increase was mainly explained by currency translation differences recognised through other comprehensive income.

The equity ratio as at 31 March 2024 was 49%, in line with year-end 2023.

Net-interest bearing debt as at 31 March 2024 was NOK 10,206 million, which was an increase of NOK 756 million from 31 December 2023. The increase was partly explained by currency translation effects. The leverage ratio was 3.5x as at 31 March 2024.

Segments

Silicones

KEY FIGURES	1Q 2024	1Q 2023	YTD 2024	YTD 2023	FY 2023
<i>MNOK except where indicated otherwise</i>					
Total operating income	3,349	4,160	3,349	4,160	14,163
EBITDA	-103	-30	-103	-30	-605
EBITDA margin	-3%	-1%	-3%	-1%	-4%
Sales volume (thousand mt)	79	99	79	99	332

Quarter and year to date

The Silicones division had total operating income of NOK 3,349 million in 1Q-2024 down 19% from NOK 4,160 million in 1Q-2023. Lower operating income was mainly explained by lower sales prices and lower sales volume.

EBITDA for 1Q-2024 was NOK -103 million, down NOK 73 million from the first quarter last year. Lower EBITDA was explained by lower sales prices in China and lower sales volume. This was partly countered by lower operating costs. The reduced production in France and China have negatively impacted the average product cost.

The sales volume was down from first quarter last year, due to weak markets and reduced production.

Silicon Products

KEY FIGURES	1Q 2024	1Q 2023	YTD 2024	YTD 2023	FY 2023
<i>MNOK except where indicated otherwise</i>					
Total operating income	4,015	4,988	4,015	4,988	17,836
EBITDA	677	1,257	677	1,257	3,304
EBITDA margin	17%	25%	17%	25%	19%
Sales volume (thousand mt) ¹⁾	117	120	117	120	462

1) Excluding Microsilica and quartz

Quarter and year to date

Silicon Products had total operating income of NOK 4,015 million in 1Q-2024, which was down 20% from NOK 4,988 million in 1Q-2023. Lower operating income was mainly explained by lower sales prices.

The EBITDA for Silicon Products was NOK 677 million in 1Q-2024, down 46% from the first quarter last year. The reduction in EBITDA was mainly explained by lower sales prices, partly offset by lower costs. The performance from the speciality segments continued to be strong. The EBITDA was positively impacted by insurance compensation for Elkem Salten, which will be gradually recognised using conservative assumptions.

The sales volume was negatively impacted by weak demand from silicones, aluminium, and steel markets.

Carbon Solutions

KEY FIGURES	1Q 2024	1Q 2023	YTD 2024	YTD 2023	FY 2023
<i>MNOK except where indicated otherwise</i>					
Total operating income	834	1,112	834	1,112	4,210
EBITDA	249	374	249	374	1,010
EBITDA margin	30%	34%	30%	34%	24%
Sales volume (thousand mt)	64	72	64	72	279

Quarter and year to date

Carbon Solutions reported total operating income of NOK 834 million in 1Q-2024, down 25% from NOK 1,112 million in 1Q-2023. Lower operating income was explained by lower sales volume and lower sales prices.

The EBITDA for 1Q-2024 amounted to NOK 249 million, down 33% from NOK 374 million in the corresponding quarter last year. The reduction in EBITDA was mainly explained by lower sales volume and lower sales prices. This has been partly offset by lower raw material costs.

The sales volume was down compared to first quarter last year, mainly due to weak ferroalloys market.

Outlook for the second quarter 2024

There have been signs of recovery in the first quarter, but the uncertainty is still significant. The demand for silicones in Europe and US show signs of picking up. There is improved demand also in China, but the price development is hampered by overcapacity. Elkem's expansion in China will come on stream in May, but the financial impact is limited in the second quarter. Silicon Products is expected to benefit from the commodity price increases for silicon and ferrosilicon seen in the first quarter. Stable conditions are expected for Carbon Solutions, with some signs of demand improvement in specific markets.

Interim financial statements

Condensed consolidated statement of profit or loss (unaudited)

Amounts in NOK million	Note	First quarter		Year to date		Year
		2024	2023 ¹⁾	2024	2023 ¹⁾	2023 ¹⁾
Revenue	2	7,749	9,654	7,749	9,654	34,364
Other operating income	2	221	78	221	78	350
Share of profit(loss) from equity accounted investments	2	(9)	24	(9)	24	46
Total operating income		7,961	9,755	7,961	9,755	34,760
Raw materials and energy for production		(4,358)	(5,256)	(4,358)	(5,256)	(19,441)
Employee benefit expenses		(1,342)	(1,309)	(1,342)	(1,309)	(5,074)
Other operating expenses		(1,586)	(1,683)	(1,586)	(1,683)	(6,673)
Amortisation and depreciation	3	(606)	(538)	(606)	(538)	(2,312)
Impairment loss	3	(1)	(2)	(1)	(2)	(94)
Other items	4	(198)	553	(198)	553	516
Operating profit (loss)		(130)	1,518	(130)	1,518	1,682
Share of profit(loss) from equity accounted financial investment		(143)	(24)	(143)	(24)	(63)
Finance Income	5	32	44	32	44	182
Foreign exchange gains (losses)	5	153	(7)	153	(7)	(106)
Finance expenses	5	(222)	(146)	(222)	(146)	(743)
Profit (loss) before income tax		(311)	1,385	(311)	1,385	951
Income tax (expenses) benefits		(103)	(403)	(103)	(403)	(781)
Profit (loss) for the period		(414)	983	(414)	983	170
Attributable to:						
Non-controlling interests' share of profit (loss)		25	30	25	30	98
Owners of the parent's share of profit (loss)		(439)	952	(439)	952	72

¹⁾ See note 9 Change in presentation

Earnings per share		First quarter		Year to date		Year	
		2024	2023	2024	2023	2023	
Basic earnings per share in NOK		(0.69)	1.50	-	0.69	1.50	0.11
Diluted earnings per share in NOK		(0.69)	1.49	-	0.69	1.49	0.11
Weighted average number of outstanding shares (million)	12	634	635	634	635	635	
Weighted average number of outstanding shares diluted (million)	12	634	637	634	637	636	

Condensed consolidated statement of comprehensive income (unaudited)

Amounts in NOK million	First quarter		Year to date		Year
	2024	2023	2024	2023	2023
Profit (loss) for the period	(414)	983	(414)	983	170
Remeasurement of defined benefit pension plans	-	-	-	-	(19)
Tax effects on remeasurements of defined benefit pension plans	-	-	-	-	4
Changes in fair value of equity instruments	-	0	-	0	3
Total items that will not be reclassified to profit or loss	0	0	0	0	(12)
Currency translation differences	858	1,270	858	1,270	476
Hedging of net investment in foreign operations	(106)	(242)	(106)	(242)	(199)
Tax effects hedging of net investment in foreign operations	23	53	23	53	44
Cash flow hedges	(110)	(1,280)	(110)	(1,280)	(1,125)
Tax effects on cash flow hedges	24	281	24	281	247
Share of other comprehensive income (loss) from equity accounted investments	7	6	7	6	3
Total items that may be reclassified to profit or loss	697	88	697	88	(554)
Other comprehensive income, net of tax	697	88	697	88	(566)
Total comprehensive income	283	1,071	283	1,071	(396)
Attributable to:					
Non-controlling interests' share of comprehensive income	31	37	31	37	102
Owners of the parent's share of comprehensive income	252	1,034	252	1,034	(498)
Total comprehensive income	283	1,071	283	1,071	(396)

Condensed consolidated statement of financial position (unaudited)

Amounts in NOK million	Note	31 March 2024	31 March 2023	31 December 2023
ASSETS				
Property, plant and equipment	3	23,623	21,135	22,754
Right-of-use assets	3	849	825	854
Other Intangible assets	3	1,499	1,451	1,458
Goodwill	3	1,062	1,039	1,015
Deferred tax assets		170	162	134
Equity accounted investments		389	1,024	1,296
Derivatives	7	1,021	1,106	977
Other assets		1,394	687	556
Total non-current assets		30,007	27,431	29,045
Inventories		8,547	10,688	9,018
Trade receivables		3,535	4,392	3,209
Derivatives	7	247	512	411
Other assets		2,403	2,227	2,062
Restricted deposits	6	370	475	388
Cash and Cash equivalents	6	5,849	11,138	6,367
Total current assets		20,950	29,431	21,455
TOTAL ASSETS		50,957	56,862	50,500
EQUITY AND LIABILITIES				
Paid-in capital	8	3,499	6,237	3,498
Retained earnings		21,079	23,474	20,827
Non-controlling interests		164	150	133
Total equity		24,743	29,861	24,458
Interest-bearing liabilities	6	13,559	12,936	13,509
Deferred tax liabilities		928	864	935
Employee benefits obligations		523	522	507
Derivatives	7	441	244	235
Provisions and other liabilities		288	245	279
Total non-current liabilities		15,739	14,810	15,465
Trade payables		5,363	5,340	5,281
Income tax payables		217	1,733	240
Interest-bearing liabilities	6	1,387	247	1,231
Bills payable	6	1,478	2,101	1,466
Employee benefit obligations		869	882	912
Derivatives	7	132	368	66
Provisions and other liabilities		1,028	1,520	1,381
Total current liabilities		10,475	12,190	10,576
TOTAL EQUITY AND LIABILITIES		50,957	56,862	50,500

Condensed consolidated statement of cash flows (unaudited)

Amounts in NOK million	Note	First quarter		Year to date		Year
		2024	2023	2024	2023	2023
Operating profit (loss)		(130)	1,518	(130)	1,518	1,682
Amortisation, depreciation and impairment	3	607	540	607	540	2,406
Changes in working capital		311	(606)	311	(606)	1,584
Equity accounted investments		25	7	25	7	22
Changes fair value of derivatives		283	(117)	283	(117)	(59)
Changes in provisions, bills receivables and other		(88)	9	(88)	9	190
Interest payments received		31	44	31	44	179
Interest payments made		(186)	(116)	(186)	(116)	(716)
Income taxes paid		(193)	(570)	(193)	(570)	(2,281)
Cash flow from operating activities		660	709	660	709	3,006
Investments in property, plant and equipment and intangible assets	3	(1,052)	(1,224)	(1,052)	(1,224)	(4,856)
Acquisition of subsidiaries, net of cash acquired		-	-	-	-	(152)
Payment of contingent consideration related to acquisitions (IFRS 3)		-	-	-	-	(38)
Acquisition/capital contribution of/to equity accounted investments		(4)	-	(4)	-	(329)
Disposal of equity accounted investments		10	-	10	-	-
Other investments / sales		1	3	1	3	76
Cash flow from investing activities		(1,045)	(1,221)	(1,045)	(1,221)	(5,299)
Dividends paid to non-controlling interests		-	(21)	-	(21)	(104)
Dividends paid to owners		-	-	-	-	(3,815)
Net sale (purchase) of treasury shares	8	1	35	1	35	(8)
Net changes in bills payable and restricted deposits		(24)	224	(24)	224	(237)
Payment of lease liabilities		(30)	(30)	(30)	(30)	(209)
New interest-bearing loans and borrowings		368	1,886	368	1,886	3,911
Payment of interest-bearing loans and borrowings		(649)	(11)	(649)	(11)	(262)
Cash flow from financing activities		(334)	2,083	(334)	2,083	(724)
Change in cash and cash equivalents		(720)	1,571	(720)	1,571	(3,017)
Currency exchange differences		201	312	201	312	129
Cash and cash equivalents opening balance		6,367	9,255	6,367	9,255	9,255
Cash and cash equivalents closing balance		5,849	11,138	5,849	11,138	6,367

Condensed consolidated statement of changes in equity (unaudited)

Amounts in NOK million	Total paid-in capital	Total retained earnings	Total owners share	Non-controlling interests	Total
Closing balance 31 December 2023	3,498	20,827	24,325	133	24,458
Profit (loss) for the period	-	(439)	(439)	25	(414)
Other comprehensive income	-	691	691	6	697
Total comprehensive income	-	252	252	31	283
Share-based payments	1	-	1	-	1
Net movement treasury shares (note 8)	0	1	1	-	1
Closing balance 31 March 2024	3,499	21,079	24,579	164	24,743

Amounts in NOK million	Total paid-in capital	Total retained earnings	Total owners share	Non-controlling interests	Total
Closing balance 31 December 2022	6,228	22,412	28,639	134	28,773
Profit (loss) for the period	-	952	952	30	983
Other comprehensive income	-	81	81	7	88
Total comprehensive income	-	1,034	1,034	37	1,071
Share-based payments	3	-	3	-	3
Net movement treasury shares (note 8)	7	29	35	-	35
Dividends to equity holders	-	-	-	(21)	(21)
Closing balance 31 March 2023	6,237	23,474	29,711	150	29,861

Amounts in NOK million	Total paid-in capital	Total retained earnings	Total owners share	Non-controlling interests	Total
Closing balance 31 December 2022	6,228	22,412	28,639	134	28,773
Profit (loss) for the period	-	72	72	98	170
Other comprehensive income	-	(570)	(570)	4	(566)
Total comprehensive income	-	(498)	(498)	102	(396)
Share-based payments	8	-	8	-	8
Net movement treasury shares (note 8)	(3)	(5)	(8)	-	(8)
Dividends to equity holders	(2,734)	(1,081)	(3,815)	(104)	(3,919)
Closing balance 31 December 2023	3,498	20,827	24,325	133	24,458

Notes to the condensed consolidated financial statements

Note 1 General information, basis for preparation and judgements, estimates and assumptions

Elkem ASA is a limited liability company located in Norway and whose shares are publicly traded at Oslo Stock Exchange. Elkem ASA's condensed consolidated financial statements for the first quarter of 2024 were approved at the meeting of the board of directors on 17 April 2024.

Basis for preparation

The condensed consolidated interim financial statements comprise Elkem ASA and its subsidiaries (Elkem/the Group) and the Group's investments in associates and interests in joint arrangements.

Elkem's interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union. The condensed interim statements are prepared in compliance with the International Accounting Standard (IAS) 34 Interim Financial Reporting and should be read in conjunction with the consolidated financial statements in Elkem's Annual Report for 2023. The accounting policies applied are consistent with those applied in the annual consolidated financial statements 2023. The principle for presentation of grants related to income is changed from other operating income to net presentation where the grants are deducted from the expenses for which the grants have compensated in the statement of profit or loss. See note 9.

In March 2024 the Norwegian government and the parties representing the industry agreed on a revised CO2 compensation scheme. The new scheme has a cap of NOK 7 billion in annual compensation to the industry. The cap will be KPI adjusted annually. In the new scheme 40 % of compensation will be dependent on investments in climate and energy efficiency measures by the recipients. The plan is that the final wording of the updated regulation will be approved by the Norwegian parliament during 2024. It has been assessed that there is reasonable assurance that Elkem will continue to receive CO2 compensation and fulfil the requirements to receive full compensation including the 40 % conditioned by climate and energy efficiency measures. It is also assessed that the main purpose of the scheme is to compensate for the CO2 cost included in the power prices and the estimated compensation will therefore continue to be included in the statement of profit and loss as a reduction to raw materials and energy for production. An updated assessment will be made when the final wording of the updated regulation is ready.

The interim financial statements are unaudited. The presentation currency of Elkem is NOK (Norwegian krone). All financial information is presented in NOK million, unless otherwise stated. One or more columns included in the interim report may not add up to the total due to rounding.

Judgements, estimates and assumptions

The preparation of consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions each reporting period.

The main judgements, estimates and assumptions are described in the annual consolidated financial statements for 2023 (note 3).

Note 2 Operating segments

Elkem has three reportable segments; Silicones, Silicon Products and Carbon Solutions.

- **The Silicones division** produces and sells a range of silicone-based products across various sub-sectors including release coatings, engineering elastomers, healthcare products, specialty fluids, emulsions and resins.
- **The Silicon Products division** produces various grades of metallurgical silicon, ferrosilicon, foundry alloys and microsilica for use in a wide range of end applications.
- **The Carbon Solutions division** produces carbon electrode materials, lining materials and specialty carbon products for metallurgical processes for the production of a range of metals.
- **Other** comprise Elkem group management and centralised functions within finance, logistics, power purchase, technology, digital office and strategic projects such as biocarbon.
- **Eliminations** comprise intersegment sales and profit. Transactions between operating segments are conducted on an arm's length basis in a manner similar to transactions with third parties.

Elkem identifies its segments according to the organisation and reporting structure used by group management. Segments' performances are evaluated based on EBITDA and EBIT. EBITDA is defined as Elkem's profit (loss) for the period, less income tax (expenses) benefits, finance expenses, foreign exchange gains (losses), finance income, share of profit from equity accounted financial investments, other items excluding hedge adjustments, impairment loss and amortisation and depreciation. Hedge adjustments are realised effects from the part of commodity derivative instruments that initially are designated as hedging instruments, but where the realised effects are recognised in other items due to e.g., hedge ineffectiveness.

EBIT is defined as Elkem's profit (loss) for the period, less income tax (expenses) benefits, finance expenses, foreign exchange gains (losses), finance income, share of profit from equity accounted financial investments and other items excluding hedge

adjustments. Hedge adjustments are realised effects from the part of commodity derivative instruments that initially are designated as hedging instruments, but where the realised effects are recognised in other items due to e.g., hedge ineffectiveness. EBITDA and EBIT are not specified by IFRS Accounting Standards and therefore may not be comparable to apparently similar measures used by other companies.

Elkem's financing and taxes are managed on a group basis and are not allocated to operating segments.

First quarter 2024	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total
Revenue from sale of goods	3,284	3,626	751	(48)	-	7,613
Other revenue	40	20	5	70	-	135
Other operating income	3	218	1	0	-	221
Share of profit from equity accounted investments	0	-	-	(9)	-	(9)
Total operating income from external customers	3,326	3,864	757	14	-	7,961
Operating income from other segments	23	152	77	123	(375)	-
Total operating income	3,349	4,015	834	137	(375)	7,961
Operating expenses	(3,452)	(3,338)	(585)	(232)	367	(7,240)
EBITDA	(103)	677	249	(95)	(7)	721
EBIT	(491)	503	219	(109)	(7)	114

First quarter 2023	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total1)
Revenue from sale of goods	4,064	4,544	1,000	(93)	-	9,515
Other revenue	10	33	5	90	-	138
Other operating income	3	75	0	0	-	78
Share of profit from equity accounted investments	0	-	-	24	-	24
Total operating income from external customers	4,077	4,652	1,005	21	-	9,755
Operating income from other segments	84	336	107	93	(619)	0
Total operating income	4,160	4,988	1,112	114	(619)	9,755
Operating expenses	(4,191)	(3,731)	(738)	(227)	697	(8,190)
EBITDA	(30)	1,257	374	(114)	78	1,565
EBIT	(371)	1,098	347	(126)	78	1,025

Year to date 31 March 2024	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Total
Revenue from sale of goods	3,284	3,626	751	(48)	-	7,613
Other revenue	40	20	5	70	-	135
Other operating income	3	218	1	0	-	221
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Other revenue	10	33	5	90	-	138
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Share of profit from equity accounted investments	0	-	-	24	-	24
Total operating income from external customers	4,077	4,652	1,005	21	-	9,755
Operating income from other segments	84	336	107	93	(619)	0
Total operating income	4,160	4,988	1,112	114	(619)	9,755
Operating expenses	(4,191)	(3,731)	(738)	(227)	697	(8,190)
EBITDA	(30)	1,257	374	(114)	78	1,565
EBIT	(371)	1,098	347	(126)	78	1,025

¹⁾ 2023 figures have been restated, see note 9

Year 2023	Silicones	Silicon Products ¹⁾	Carbon Solutions	Other ¹⁾	Eliminations	Total
Revenue from sale of goods	14,055	16,535	3,742	(401)	-	33,931
Other revenue	23	113	17	280	-	434
Other operating income	19	323	2	6	-	350
Share of profit from equity accounted investments	1	0	-	44	-	46
Total operating income from external customers	14,099	16,971	3,761	(71)	-	34,760
Operating income from other segments	63	865	450	506	(1,884)	-
Total operating income	14,163	17,836	4,210	436	(1,884)	34,760
Operating expenses	(14,768)	(14,532)	(2,924)	(968)	2,203	(30,989)
EBITDA	(605)	3,304	1,286	(532)	318	3,771
EBIT	(2,142)	2,610	1,164	(585)	318	1,365

¹⁾ 2023 figures have been restated, see note 9

Note 3 Fixed assets, right-of-use assets, goodwill and intangible assets

31 March 2024	Property, plant and equipment	Right-of-use assets	Other intangible assets	Goodwill
Cost				
Opening balance	45,987	1,285	3,563	1,015
Additions	583	9	32	-
Reclassifications	(1)	-	1	-
Disposals	(13)	(14)	-	-
Currency translation differences	1,545	43	144	47
Closing balance	48,102	1,323	3,740	1,062
Accumulated depreciation				
Opening balance	(20,332)	(431)	(2,103)	-
Addition	(516)	(36)	(54)	-
Disposals	12	11	-	-
Currency translation differences	(607)	(16)	(82)	-
Closing balance	(21,444)	(473)	(2,239)	-
Impairment losses				
Opening balance	(2,900)	-	(1)	-
Addition	(1)	-	-	-
Disposals	0	-	-	-
Currency translation differences	(134)	-	(0)	-
Closing balance	(3,035)	-	(1)	-
Net book value 31 March 2024	23,623	849	1,499	1,062

31 March 2023	Property, plant and equipment	Right-of-use assets	Other intangible assets	Goodwill
Cost				
Opening balance	40,696	1,138	3,209	984
Additions	1,076	56	15	-
Reclassifications	(7)	-	7	-
Disposals	(5)	(53)	(0)	-
Currency translation differences	2,012	55	222	55
Closing balance	43,771	1,196	3,453	1,039
Accumulated depreciation				
Opening balance	(18,339)	(359)	(1,824)	
Addition	(458)	(31)	(48)	
Disposals	2	41	0	
Currency translation differences	(823)	(22)	(129)	
Closing balance	(19,619)	(371)	(2,001)	
Impairment losses				
Opening balance	(2,836)	0	(1)	-
Addition	(2)	-	-	-
Disposals	0	-	-	-
Currency translation differences	(179)	-	(0)	-
Closing balance	(3,018)	0	(1)	-
Net book value 31 March 2023	21,135	825	1,451	1,039

31 December 2023	Property, plant and equipment	Right-of-use assets	Other intangible assets	Goodwill
Cost				
Opening balance	40,696	1,138	3,209	984
Additions	5,016	225	200	-
Business combinations	81	-	29	23
Disposals	(333)	(93)	(9)	-
Currency translation differences	526	15	133	8
Closing balance	45,987	1,285	3,563	1,015
Accumulated depreciation				
Opening balance	(18,339)	(359)	(1,824)	
Additions	(1,967)	(141)	(205)	
Disposals	260	77	9	
Currency translation differences	(287)	(9)	(84)	
Closing balance	(20,332)	(431)	(2,103)	
Impairment losses				
Opening balance	(2,836)	-	(1)	-
Addition	(94)	-	-	-
Disposals	29	-	-	-
Currency translation differences	1	-	(0)	-
Closing balance	(2,900)	-	(1)	-
Net book value 31 December 2022	22,754	854	1,458	1,015

Note 4 Other items

	First quarter		Year to date		Year
	2024	2023	2024	2023	2023
Change in fair value commodity contracts, interest element	(0)	0	(0)	0	(1)
Embedded EUR derivatives power contracts, interest element	(57)	107	(57)	107	(73)
Ineffectiveness and discontinuation on commodity cash flow hedges	(147)	107	(147)	107	357
Ineffectiveness on currency cash flow hedges	-	-	-	-	-
Change in fair value currency contracts	(13)	(39)	(13)	(39)	(26)
Operating foreign exchange gains (losses)	32	377	32	377	308
Total other gains (losses)	(184)	553	(184)	553	566
Dividends from other shares	0	0	0	0	3
Change in fair value from other shares measured at fair value through profit or loss	2	1	2	1	6
Gains (losses) on acquisition and disposal of subsidiaries	-	-	-	-	-
Restructuring expenses	(13)	0	(13)	0	(43)
Dismantling and environmental expenses	0	-	0	-	(4)
Other	(3)	(1)	(3)	(1)	(13)
Total other income (expenses)	(14)	(0)	(14)	(0)	(50)
Total other items	(198)	553	(198)	553	516

Note 5 Finance income and expenses

	First quarter		Year to date		Year
	2024	2023	2024	2023	2023
Interest income on loans and receivables	32	44	32	44	179
Other financial income	0	0	0	0	3
Total finance income	32	44	32	44	182
Foreign exchange gains (losses)	153	(7)	153	(7)	(106)
Interest expenses on interest-bearing liabilities measured at amortised cost	(196)	(124)	(196)	(124)	(647)
Interest expenses from other items measured at amortised cost	(6)	(7)	(6)	(7)	(25)
Interest expenses on factoring agreements	(22)	(15)	(22)	(15)	(77)
Interest expenses on lease liabilities	(8)	(6)	(8)	(6)	(27)
Capitalised interest expenses	15	11	15	11	51
Unwinding of discounted liabilities	(1)	(1)	(1)	(1)	(5)
Interest on net pension liabilities	(3)	(3)	(3)	(3)	(11)
Other financial expenses	(1)	(0)	(1)	(0)	(2)
Total finance expenses	(222)	(146)	(222)	(146)	(743)
Net Finance income (expenses)	(38)	(109)	(38)	(109)	(668)

Note 6 Interest-bearing assets and liabilities

	31 March 2024	31 March 2023	31 December 2023
Lease liabilities	456	492	464
Loans from external parties, other than bank	4,633	5,483	5,279
Bank financing	8,471	6,961	7,767
Total non-current interest-bearing debt	13,559	12,936	13,509
Lease liabilities	121	119	125
Loans from external parties, other than banks	1,182	10	1,060
Bank financing, current	19	72	18
Accrued interest	66	45	28
Total current interest-bearing debt	1,387	247	1,231
Bills payable, current	1,478	2,101	1,466
Restricted deposits bills payable, current	335	439	351
Net bills payable	1,143	1,662	1,114
Cash and cash equivalents	5,849	11,138	6,367
Other restricted deposits, current	35	37	37
Other restricted deposits, non-current	57	48	51
Receivables from related parties, non-current	1	1	1
Loans to external parties, non-current	9	8	9
Accrued interest income, current	0	0	0
Total other interest-bearing assets	5,950	11,232	6,465
Net interest-bearing assets (liabilities)	(10,140)	(3,613)	(9,390)

Elkem has initiated a waiver process with the lenders regarding the financial covenants in its loan agreements; Interest cover ratio and equity ratio. The outcome of the waiver process is that the lenders have granted a temporary waiver of the Interest cover ratio for each of the quarters of 2024, and so that the applicable Interest cover ratio shall exceed 3.00:1.00 compared to prior ratio of 4.00:1.00.

Refer to note 23 Interest-bearing assets and liabilities in Elkem's Annual report for 2023 for more information.

Note 7 Cash flow hedging

Hedge Accounting

Elkem is applying hedge accounting for parts of its forward currency contracts, certain parts of EUR loans, for embedded EUR derivatives in power contracts, for certain power contracts and interest rate swap changing the interest from fixed to floating interest rate. Forward currency contracts and embedded derivatives are designated in a cash flow hedge to hedge currency fluctuations in highly probable future sales, mainly in USD and EUR. Power contracts are designated as hedging instruments in a cash flow hedge of price fluctuations for highly probable future purchases. Hence, the effective part of change in fair value of the hedging instruments is booked against OCI and booked as an adjustment to revenue and energy for production respectively, when realised.

Derivatives as at 31 March 2024

	Nominal value	Fair value	Hereof recognised in OCI	Effects to be recycled from OCI			
				Within 1 year	Within 2 years	Within 3 years	Within 4 years or more
Purchase contracts							
Forward currency contracts	2,550	63	64	17	48	-	-
Embedded EUR derivatives	6,024	(533)	(638)	(135)	(125)	(105)	(273)
Power contracts	2,161	1,159	357	62	61	55	179
Interest rate swap	89	5	5	1	1	1	1
Platinum contracts	0	0	0	0	-	-	-
Total derivatives		694	(212)	(55)	(16)	(49)	(92)

Hedge accounting is applied for some of the contracts / part of contracts.

	First quarter		Year to date		Year
	2024	2023	2024	2023	2023
Realised effects hedge accounting, recycled from OCI					
Realised effects from forward currency contracts, Revenue	(8)	(62)	(8)	(62)	(229)
Realised effects from embedded derivatives EUR, Revenue	(31)	(24)	(31)	(24)	(122)
Realised effects from Platinum contract, Revenue	0	-	0	-	1
Realised effects from power contracts, Raw materials and energy for production	32	57	32	57	112
Realised effects hedge discontinuation, Other items	44	16	44	16	85
Realised effect interest rate swap, Finance expenses	(0)	-	(0)	-	(1)
Total realised hedging effects recycled from OCI	36	(14)	36	(14)	(170)

See note 25 Financial assets and liabilities, note 26 Hedging and note 27 Financial risk to the consolidated financial statements for the year ended 31 December 2023.

Note 8 Number of shares

The development in share capital and other paid-in equity is set out in the Condensed consolidated interim statement of changes in equity.

	Shares outstanding	Treasury shares	Total issued shares
<i>Numbers are whole numbers</i>			
Opening balance at 1 January 2024	633,890,288	5,551,090	639,441,378
Sale of treasury shares	50,000	(50,000)	-
Closing balance 31 March 2024	633,940,288	5,501,090	639,441,378

	First quarter		Year to date		Year
	2024	2023	2024	2023	2023
<i>Numbers are whole numbers</i>					
Weighted average number of shares outstanding	633,918,621	635,137,895	633,918,621	635,137,895	634,991,082
Effects of dilution from share-based payment	255,372	1,826,689	255,372	1,826,689	798,645
Weighted average number of outstanding shares diluted	634,173,993	636,964,584	634,173,993	636,964,584	635,789,727

In the annual general meeting held on 28 April 2023, the board of directors was granted an authorisation to repurchase the company's own shares within a total nominal value of up to NOK 319,720,689. The maximum amount that can be paid for each share is NOK 150 and the minimum is NOK 1. The authorisation is valid until the annual general meeting in 2024, but not later than 30 June 2024. The authorisation can be used to acquire shares as the board of directors deems appropriate, provided however, that acquisition of shares shall not be by subscription.

In the annual general meeting held on 28 April 2023, the board of directors was granted an authorisation to increase the company's share capital with an amount up to NOK 319,720,689 - corresponding to 10 % of the current share capital. The authorisation is valid until the annual general meeting in 2024, but not later than 30 June 2024. The authorisation can be used to cover share capital increases against contribution in kind and in connection with mergers.

In the annual general meeting held on 28 April 2023, the board of directors was granted an authorisation to increase the share capital by up to NOK 40,000,000 to be used in connection with the issuance of new shares under share incentive scheme. The authorisation is valid until the annual general meeting in 2024, but not later than 30 June 2024. The authorisation does not cover capital increases against contribution in kind or capital increases in connection with mergers.

Note 9 Change in presentation

Elkem has with effect from 1 January changed presentation of the items mentioned below;

- Presentation of grants related to income is changed from other operating income to net presentation where the grants are deducted from the expenses for which the grants have compensated in the statement of profit or loss.
- Presentation of capitalised salary of own developed fixed and intangible assets is changed from other operating expenses to employee benefit expenses in the statement of profit and loss.
- Presentation of changes in inventories of finished goods and work in progress for the activity cost part is changed from other operating expenses to raw materials and energy for production in the statement of profit and loss.

The impact on comparable figures in the statement of profit or loss are shown in the tables below.

Condensed consolidated statement of profit or loss	YTD Q1 2024 before change	Impact grants	Impact capitalised salary	Impact changes in inventories	YTD Q1 2024 after change
Other operating income	477	(256)			221
Raw materials and energy for smelting	(4,403)	212		(167)	(4,358)
Employee benefit expenses	(1,372)	10	20		(1,342)
Other operating expenses	(1,766)	34	(20)	167	(1,586)
Operating profit (loss)	(130)	-	-	-	(130)

Condensed consolidated statement of profit or loss	YTD Q1 2023	Impact grants	Impact capitalised salary	Impact changes in inventories	YTD Q1 2023 restated
Other operating income	257	(179)			78
Raw materials and energy for smelting	(5,338)	148		(66)	(5,256)
Employee benefit expenses	(1,350)	17	24		(1,309)
Other operating expenses	(1,741)	15	(24)	66	(1,683)
Operating profit (loss)	1,518	-	-	-	1,518

Condensed consolidated statement of profit or loss	Financial statement 2023	Impact grants	Impact capitalised salary	Impact changes in inventories	Financial statement 2023 restated
Other operating income	1,135	(785)			350
Raw materials and energy for smelting	(20,401)	573		387	(19,441)
Employee benefit expenses	(5,253)	83	96		(5,074)
Other operating expenses	(6,319)	129	(96)	(387)	(6,673)
Operating profit (loss)	1,682	-	-	-	1,682

Appendix - Alternative performance measures (APMs)

An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework (IFRS). Elkem uses EBITDA and EBITDA margin to measure operating performance at the group and segment level. In particular, Management regards EBIT and EBITDA as useful performance measures at segment level because income tax, finance expenses, foreign exchange gains (losses), finance income, other items are managed on a group basis and are not allocated to each segment. Elkem uses Cash flow from operations to measure the segments cash flow performance, this measure is excluding items that are managed on a group level. Elkem uses ROCE, or return on capital employed as measures of the development of the group's return on capital. Elkem relies on these measures as part of its capital allocation strategy. Elkem uses net interest bearing debt less non-current interest-bearing assets / EBITDA as leverage ratio for measuring the group's financial flexibility and ability for step-change growth and acquisitions.

The APMs presented herein are not measurements of performance under IFRS or other generally accepted accounting principles and should not be considered as a substitute for measures of performance in accordance with IFRS. Because companies calculate the APMs presented herein differently, Elkem's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

Elkem's financial APMs, EBITDA and EBIT

- EBITDA is defined as Elkem's profit (loss) for the period, less income tax (expenses) benefits, finance expenses, foreign exchange gains (losses), finance income, share of profit from equity accounted financial investments, other items excluding hedge adjustments, impairment loss and amortisation and depreciation. Hedge adjustments are realised effects from the part of commodity derivative instruments that initially are designated as hedging instruments, but where the realised effects are recognised in other items due to e.g., hedge ineffectiveness.
- EBITDA margin is defined as EBITDA divided by total operating income.
- EBIT, also referred to as operating profit (loss) before other items and hedge adjustments is defined as Elkem's profit (loss) for the period, less income tax (expenses) benefits, finance expenses, foreign exchange gains (losses), finance income, share of profit from equity accounted financial investments and other items excluding hedge adjustments. Hedge adjustments are realised effects from the part of commodity derivative instruments that initially are designated as hedging instruments, but where the realised effects are recognised in other items due to e.g., hedge ineffectiveness.

Below is a reconciliation of EBIT and EBITDA:

First quarter 2024	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the period						(414)
Income tax (expense) benefit						103
Finance expenses						222
Foreign exchange gains (losses)						(153)
Finance income						(32)
Share of profit from equity accounted financial investments						143
Other items						198
Hedge adjustments						46
EBIT	(491)	503	219	(109)	(7)	114
Impairment losses						1
Amortisations and depreciations						606
EBITDA	(103)	677	249	(96)	(7)	721

First quarter 2023	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the period						983
Income tax (expense) benefit						403
Finance expenses						146
Foreign exchange gains (losses)						7
Finance income						(44)
Share of profit from equity accounted financial investments						24
Other items						(553)
Hedge adjustments						59
EBIT	(371)	1,098	347	(126)	78	1,025
Impairment losses						2
Amortisations and depreciations						538
EBITDA	(30)	1,257	374	(114)	78	1,565

Year to date 31 March 2024	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the year						(414)
Income tax (expense) benefit						103
Finance expenses						222
Foreign exchange gains (losses)						(153)
Finance income						(32)
Share of profit from equity accounted financial investments						143
Other items						198
Hedge adjustments						46
EBIT	(491)	503	219	(109)	(7)	114
Impairment losses						1
Amortisations and depreciations						606
EBITDA	(103)	677	249	(96)	(7)	721

Year to date 31 March 2023	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the year						983
Income tax (expense) benefit						403
Finance expenses						146
Foreign exchange gains (losses)						7
Finance income						(44)
Share of profit from equity accounted financial investments						24
Other items						(553)
Hedge adjustments						59
EBIT	(371)	1,098	347	(126)	78	1,025
Impairment losses						2
Amortisations and depreciations						538
EBITDA	(30)	1,257	374	(114)	78	1,565

Year 2023	Silicones	Silicon Products	Carbon Solutions	Other	Eliminations	Elkem
Profit (loss) for the year						170
Income tax (expense) benefit						781
Finance expenses						743
Foreign exchange gains (losses)						106
Finance income						(182)
Share of profit from equity accounted financial investments						63
Other items						(516)
Hedge adjustments						199
EBIT	(371)	1,098	347	(126)	78	1,365
Impairment losses						94
Amortisations and depreciations						2,312
EBITDA	(30)	1,257	374	(114)	78	3,771

Elkem's financial APMs, Leverage ratio

Net interest-bearing debt that is used to measured leverage ratio is excluding non-current other restricted deposits, receivables from related parties, loans to external parties and accrued interest income. These assets are not easily available to be used to finance the group's operations.

Below a calculation of Elkem's leverage ratio.

	31 March 2024	31 March 2023	31 December 2023
Net interest-bearing assets (liabilities)	(10,140)	(3,613)	(9,390)
Other restricted deposits, non-current	(57)	(48)	(51)
Receivables from related parties, non-current	(1)	(1)	(1)
Loans to external parties, non-current	(9)	(8)	(9)
Accrued interest income, current	(0)	(0)	(0)
Net interest-bearing debt	(10,206)	(3,670)	(9,450)
EBITDA (LTM)	2,927	10,616	3,771
Leverage ratio	3.5	0.3	2.5

Elkem's financial APMs, ROCE

- ROCE, Return on capital employed, is defined as EBIT divided by the average capital employed.
- Working capital is defined as accounts receivable, inventories, other current assets, accounts payable, current employee benefit obligations and other current liabilities. Accounts receivable are defined as trade receivables less bills receivable. Other current assets are defined as other current assets less current receivables to related parties, current interest-bearing receivables, tax receivables, grants receivable, assets at fair value through profit or loss and accrued interest income. Accounts payable are defined as trade payables less trade payables related to purchase of non-current assets. Other current liabilities are defined as provisions and other current liabilities less current provisions, contingent considerations, contract obligations and liabilities to related parties.
- Capital employed consists of working capital as defined above, property, plant and equipment, right-of-use assets, other intangible assets, goodwill, equity accounted investments, grants payable, trade payables and prepayments related to purchase of non-current assets.
- Average capital employed is defined as the average of the opening and ending balance of capital employed for the relevant reporting period.

Below is a reconciliation of working capital and capital employed, which are used to calculate ROCE:

Working capital bridge from statutory accounts to company definition

	31 March 2024	31 March 2023	31 December 2023
Inventories	8,547	10,688	9,018
Trade receivables	3,535	4,392	3,209
Bills receivable	(814)	(884)	(823)
Accounts receivable	2,721	3,508	2,386
Other assets, current	2,403	2,227	2,062
Other receivables from related parties interest-free	(0)	(5)	(8)
Grants receivables	(859)	(849)	(671)
Tax receivables	(323)	(381)	(261)
Accrued interest	(0)	(0)	(0)
Other current assets included in working capital	1,220	991	1,122
Trade payables	5,363	5,340	5,281
Trade payables related to purchase of non-current assets	(955)	(1,012)	(1,313)
Accounts payable included in working capital	4,408	4,327	3,968
Employee benefit obligations	869	882	912
Provisions and other liabilities, current	1,028	1,520	1,381
Provisions, contingent considerations and contract obligations	(105)	(155)	(101)
Liabilities to related parties	(14)	(19)	(17)
Other current liabilities included in working capital	909	1,347	1,263
Working capital	6,302	8,631	6,383
Property, plant and equipment	23,623	21,135	22,754
Right-of-use assets	849	825	854
Other Intangible assets	1,499	1,451	1,458
Goodwill	1,062	1,039	1,015
Equity accounted investments	389	1,024	1,296
Grants payable	(17)	(17)	(17)
Trade payables- and prepayments related to purchase of non-current assets	(904)	(948)	(1,295)
Capital employed	32,803	33,140	32,449

Elkem's financial APMs, Cash flow from operations

- Cash flow from operations is defined as cash flow from operating activities, less income taxes paid, interest payments made, interest payments received, changes in provision, bills receivables and other, changes in fair value of derivatives, other items (from the statement of profit or loss) excluding hedge adjustments. Hedge adjustments are realised effects from the part of commodity derivative instruments that initially are designated as hedging instruments, but where the realised effects are recognised in other items due to e.g., hedge ineffectiveness.

- Reinvestments generally consist of maintenance capital expenditure to maintain existing activities or that involve investments designed to improve health, safety or the environment.
- Strategic investments generally consist of investments which result in capacity increases at Elkem's existing plants or that involve an investment made to meet demand in a new geographic or product area.

	First quarter		Year to date		Year
	2024	2023	2024	2023	2023
Reinvestments	(298)	(330)	(298)	(330)	(2,351)
Strategic investments	(318)	(761)	(318)	(761)	(2,866)
Periodisation ¹⁾	(436)	(133)	(436)	(133)	361
Investments in property, plant and equipment and intangible assets	(1,052)	(1,224)	(1,052)	(1,224)	(4,856)

¹⁾ Periodisation reflects the difference between payment date and accounting date of the investment.

	First quarter		Year to date		Year
	2024	2023	2024	2023	2023
Cash flow from operating activities	660	709	660	709	3,006
Income taxes paid	193	570	193	570	2,281
Interest payments made	186	116	186	116	716
Interest payments received	(31)	(44)	(31)	(44)	(179)
Changes in provisions, bills receivables and other	88	(9)	88	(9)	(190)
Changes in fair value of derivatives	(283)	117	(283)	117	59
Other items	198	(553)	198	(553)	(516)
Hedge adjustments	46	59	46	59	199
Reinvestments	(298)	(330)	(298)	(330)	(2,351)
Cash flow from operations	759	637	759	637	3,027