



 **Elkem**

Delivering your potential
through the years

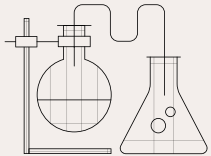


Elkem as a leader in energy intensive industry

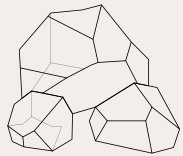
Elkem ASA – CEO Helge Aasen – 28 February 2024
Sparebank 1 Markets Energy Conference

We are Elkem

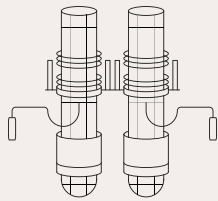
Advanced silicon-based materials shaping a better & more sustainable future



Silicones



Silicon Products



Carbon Solutions



Sustainable business model – well positioned for the future

Low cost sustainable input factors



Quartz



Coal



Biocarbon



Power

High temperature/chemical production processes



Silicones



Silicon, ferrosilicon, foundry products and microsilica



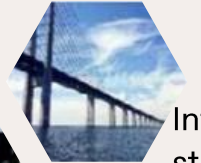
Carbon solutions

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 main plants worldwide



Employees worldwide

~ 7,400



R&D centres in Norway, France and China

>600 R&D people

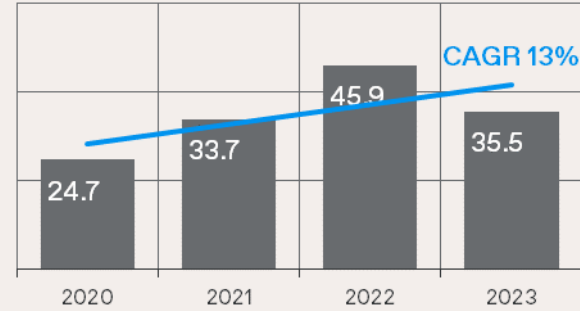
Delivering good results over the business cycle

- 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

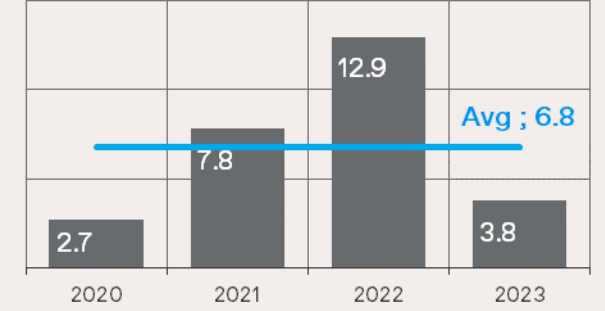


Figures in NOK billion unless otherwise stated

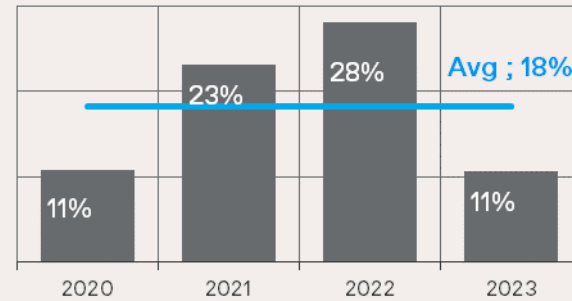
Operating income



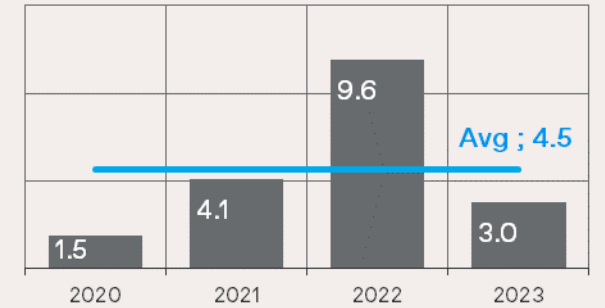
EBITDA



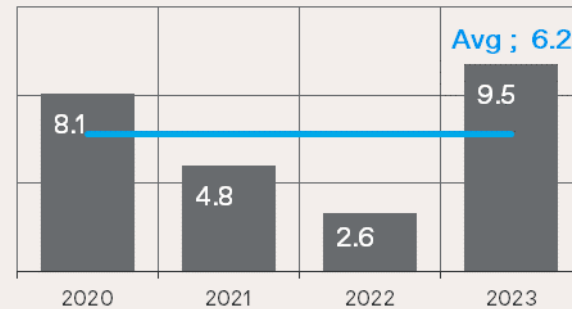
EBITDA margin



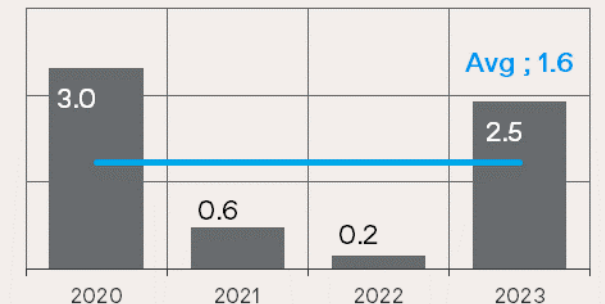
Cash flow from operations



NIBD



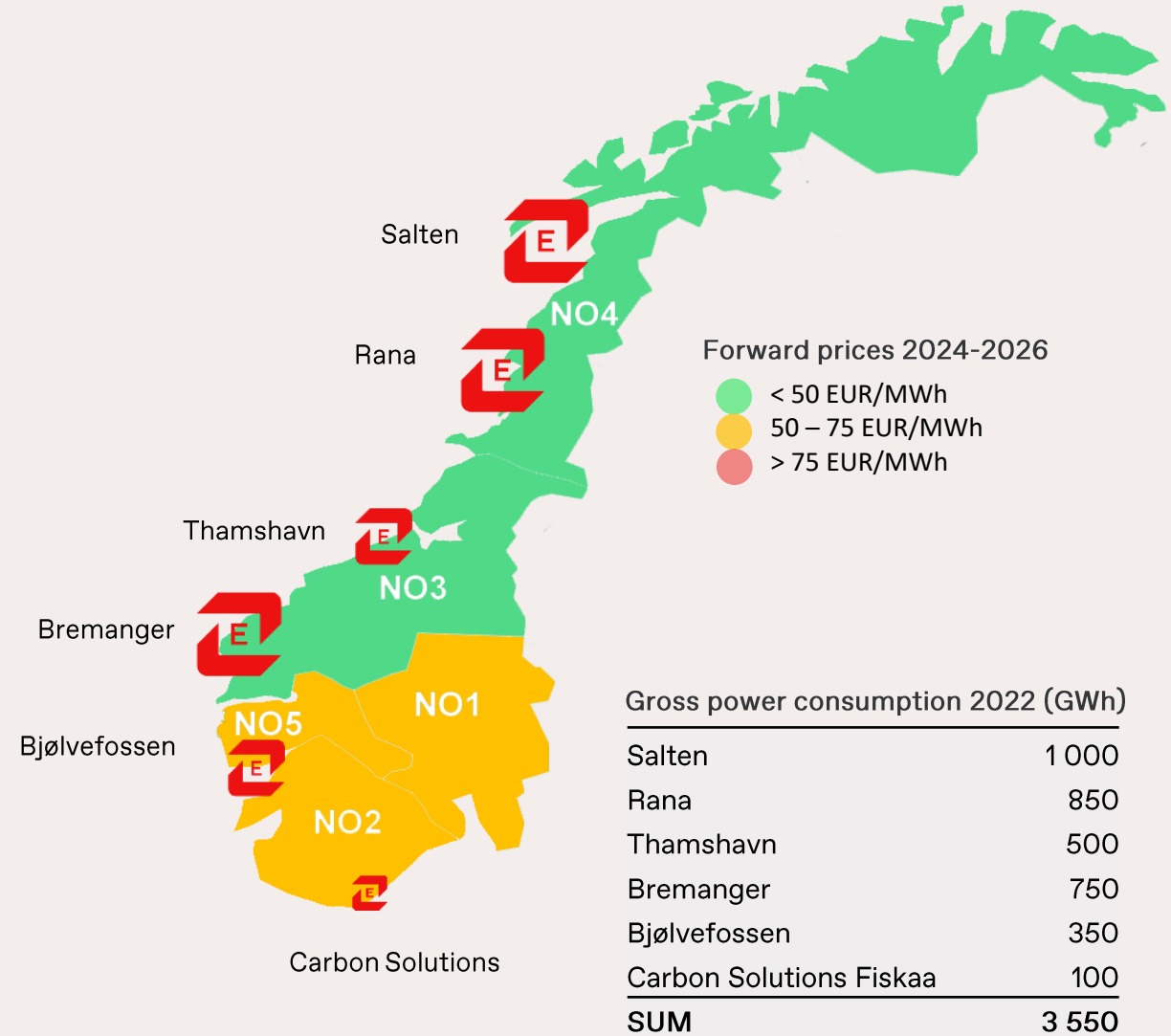
Leverage ratio



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



Creating positive ripple effects in Norway based on industrial value-add to renewable energy

Google
~7 TWh FOR 100
LONG-TERM JOBS?



1904 2022

- TANA
- SALTEN
- MÅRNES
- RANA
- THAMSHAVN
- BREMANGER
- BJØLVEFOSSEN
- KRISTIANSAND
- OSLO

~4TWh
CO₂-FREE
HYDRO-
POWER



1 500 DIRECT
JOBS IN NORWAY



PURCHASING OF
GOODS & SERVICES



3X JOBS WITH
EXTERNAL SUPPLIERS

RESEARCH AND INNOVATION
IN NEW GREEN INDUSTRY

6-8X HIGHER EXPORT INCOME
FOR NORWAY VS. EXPORT OF
NON-VALUE-ADDED POWER



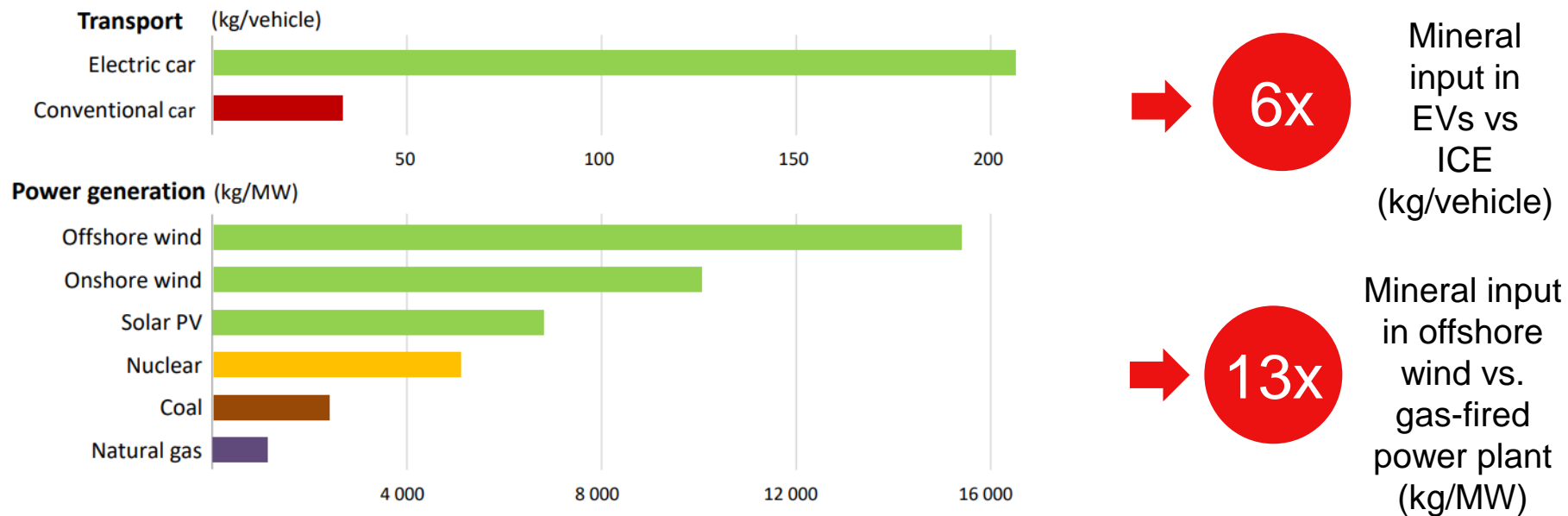
~10 BNOK REINVESTED IN
NORWAY IN PAST 10 YEARS



The green & digital transitions mean shift to more mineral-intensive energy system: More mining & smelters required

The shift to a more mineral-intensive energy system

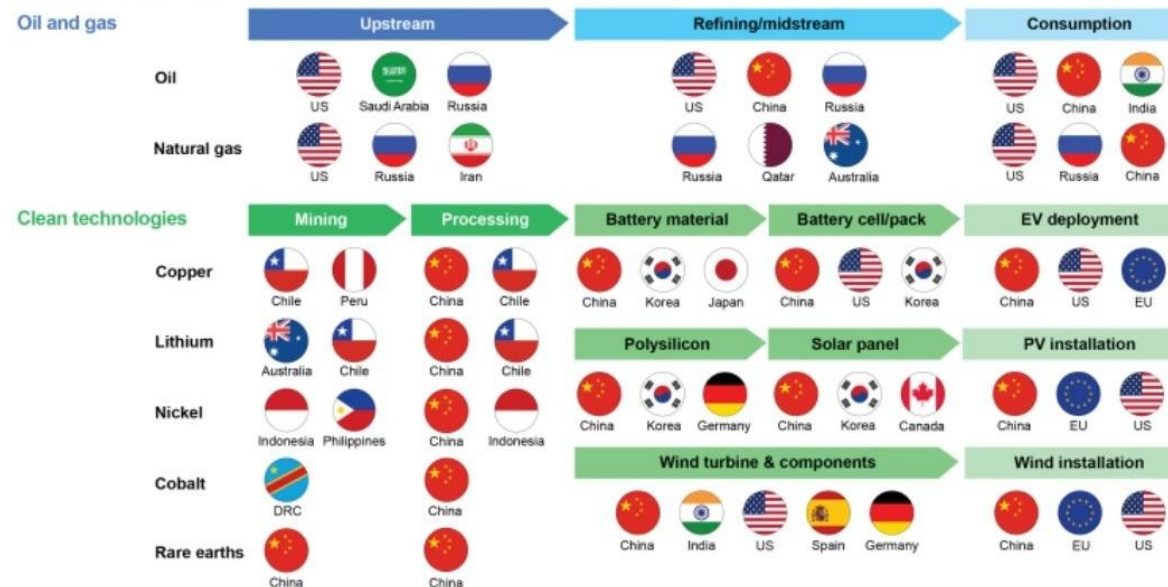
Minerals used in selected energy technologies



The green & digital transitions will bring new energy trade patterns, countries and geopolitical considerations into play

China dominates in EVs & renewable energy equipment supply

Share of top 3 producing countries in extraction of selected minerals and fossil fuels, 2019



>50%

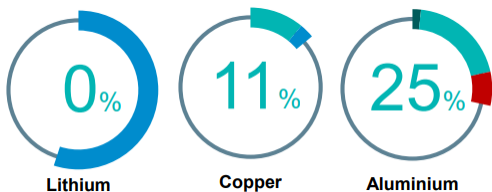
China share of global EV fleet (2022)

35-90%

China share of mineral processing & refining (2019)

European industry struggles – Norway can be an exception

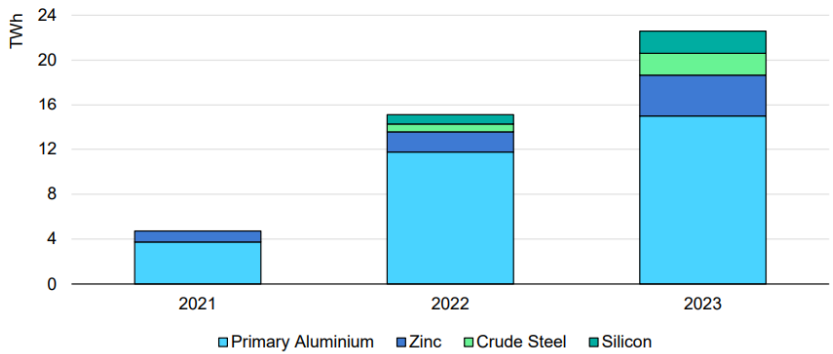
Europe has limited self-sufficiency in materials...



Source: EuroMetaux – Metals for Clean Energy

... and its energy intensive industry struggles

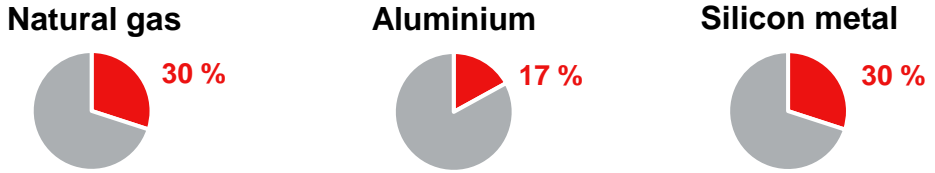
Estimated cumulative loss in annual electricity demand in selected primary metal industries in the European Union compared to 2020



Source: IEA – Electricity 2024

Norway: As important for EU in metals as in gas

Norway's share of EU imports

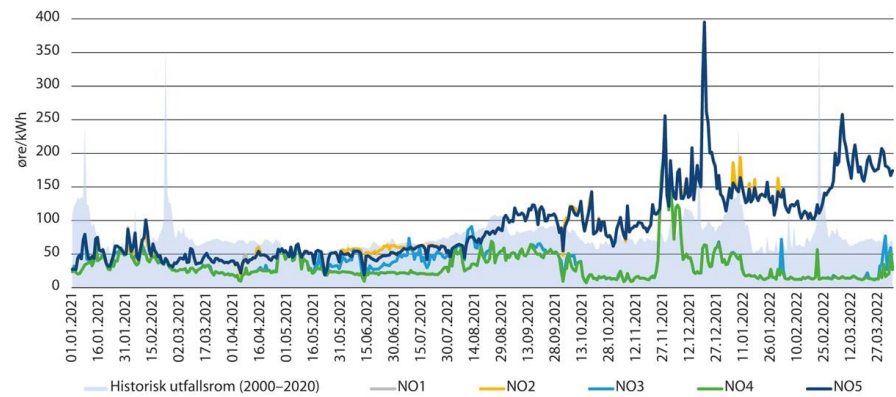


Source: European Council

Source: aluminium.no

Source: EU CRMA

Norway can export power or metals, not both



Source: Meld. St. 11 (2021–2022) – Energi til arbeid

Metal is the best way to export Norwegian power

- The green & digital transitions mean shift to more mineral-intensive energy system: More mining & smelters required
- The green & digital transitions will bring new energy trade patterns, countries and geopolitical considerations into play
- Norway is well positioned to supply EU:
 - We have the world's greenest industry
 - Providing the EU with security of supply
 - Value-added exports for Norway
- But: Requires competitive framework conditions on energy and climate





Delivering your potential