



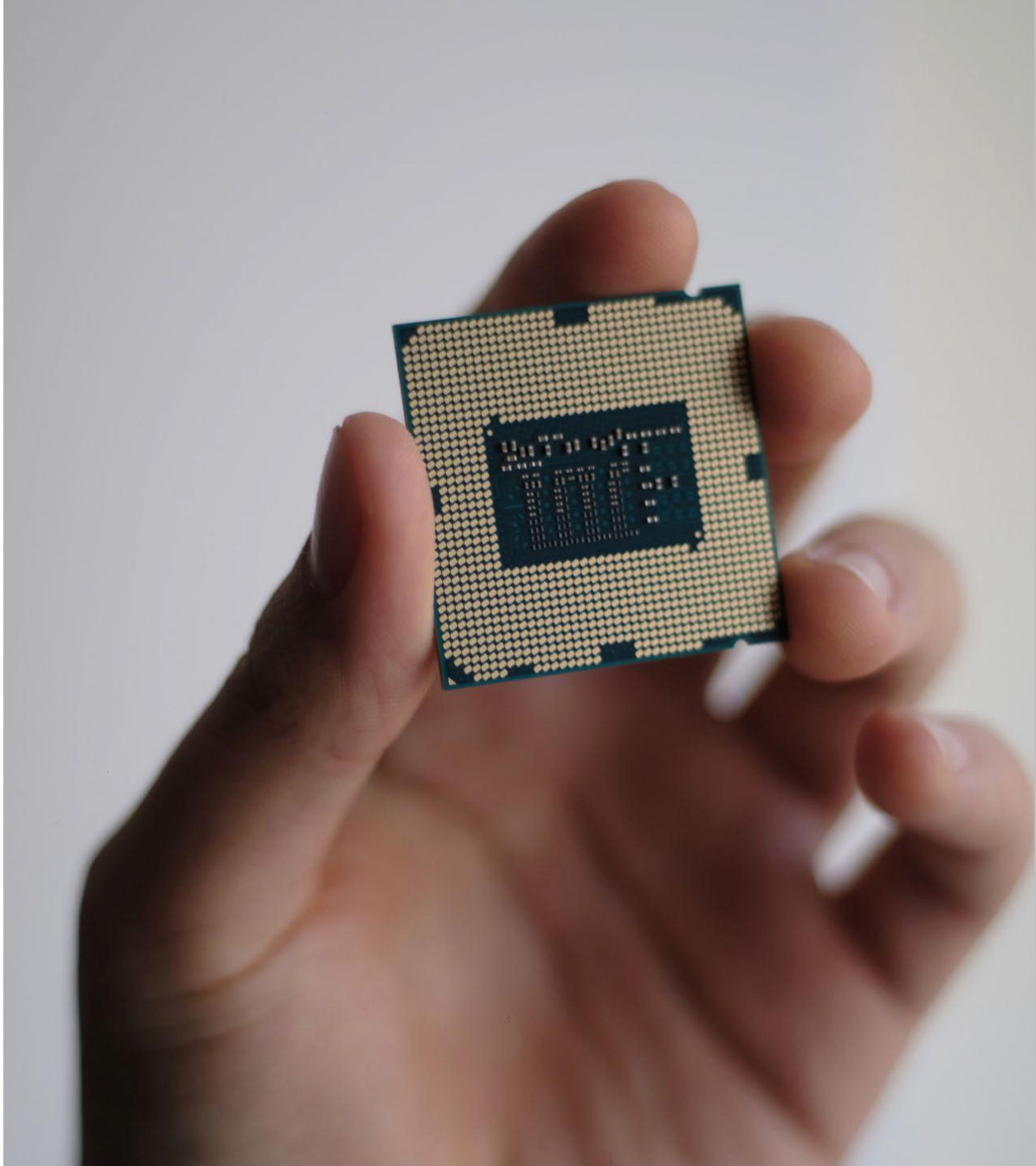
# Second quarter results 2024

# Agenda

Business update

Financial performance

Outlook



## Highlights

# Profitability improvements driven by enhanced operating performance

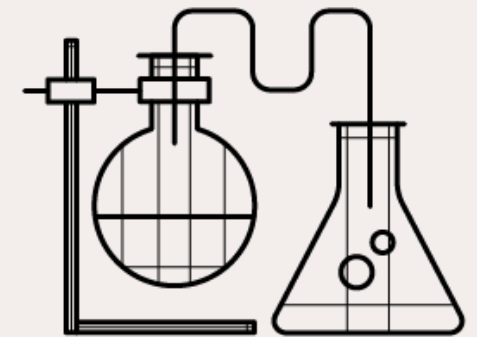
- Elkem's EBITDA was NOK 1,030 million in the second quarter 2024
- Improved profitability driven by strong operational performance as part of Elkem's comprehensive improvement programme
- The Silicones markets remain weak despite signs of improved demand. High focus on cost and other operational improvements
- Silicon Products delivered good results, despite lower silicon sales in the quarter
- Carbon Solutions delivered a strong quarterly result, based on favourable cost development and good sales volume
- Profit of NOK 881 million, with earnings per share of NOK 1.35 in the second quarter and NOK 0.65 year-to-date



Total operating income  
**MNOK 8,490**

EBITDA  
**MNOK 1,030**

EBITDA margin  
**12%**



# Strong ESG performance

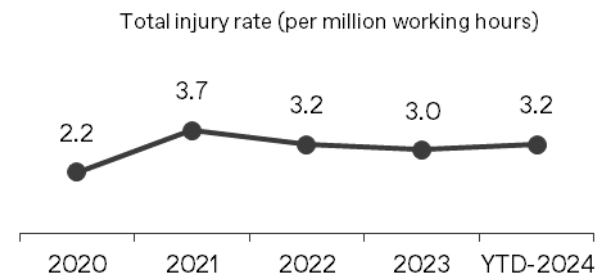


## Green leadership

- Total CO2 emissions reduced by 8.3% in 2023, with reductions in scope 1, 2 & 3
- Elkem's groundbreaking Sicalo project could eliminate direct CO<sub>2</sub> emissions from silicon production. Enova granting MNOK 31 to a medium scale pilot
- Well-positioned to benefit from the green transition, with silicon defined as a critical material in EU and the US

## Safety

Ambition: Zero injuries



## Sustainability targets

**28%**

Reduction in CO<sub>2</sub> emissions by 2031

**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 CSA: Top 94<sup>th</sup> percentile



Rated A+ for ESG reporting in 2023

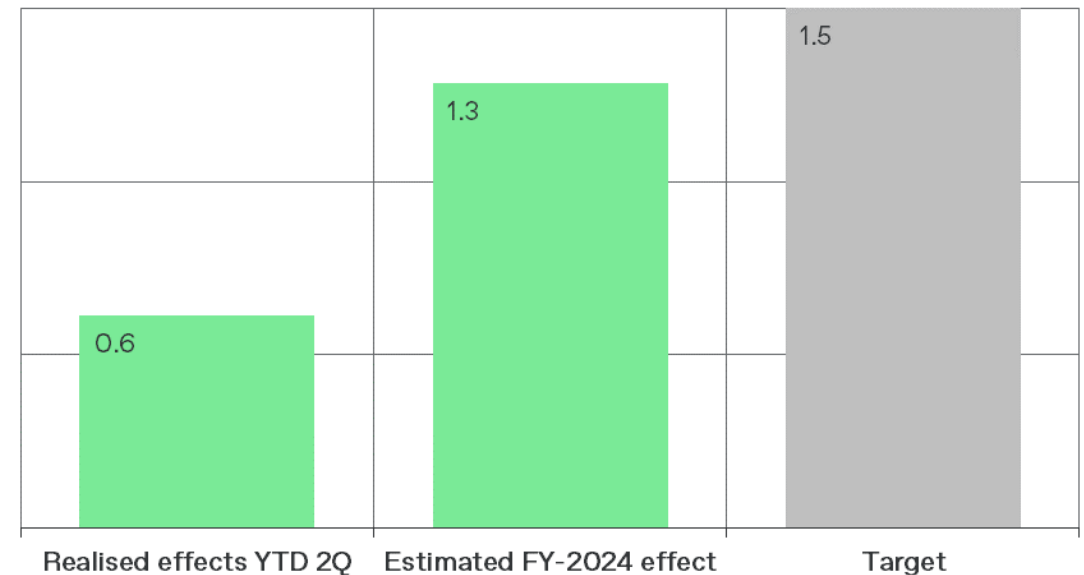


# EBITDA improvement programme ahead of plan



- Elkem's EBITDA improvement programme reached realised effects of BNOK 0.6 YTD 30 June 2024. The full year effect is estimated to BNOK 1.3, versus the target of BNOK 1.5
- The programme is particularly focusing on the Silicones division, which has generated the majority of the improvements
- The main improvement initiatives relate to
  - Sales optimisation
  - Raw material sourcing and yield improvements
  - Organisational streamlining and manning reductions
  - Simplifying plant and production structure e.g. closure of the Lübeck plant

**EBITDA improvement programme (in NOK billion)**

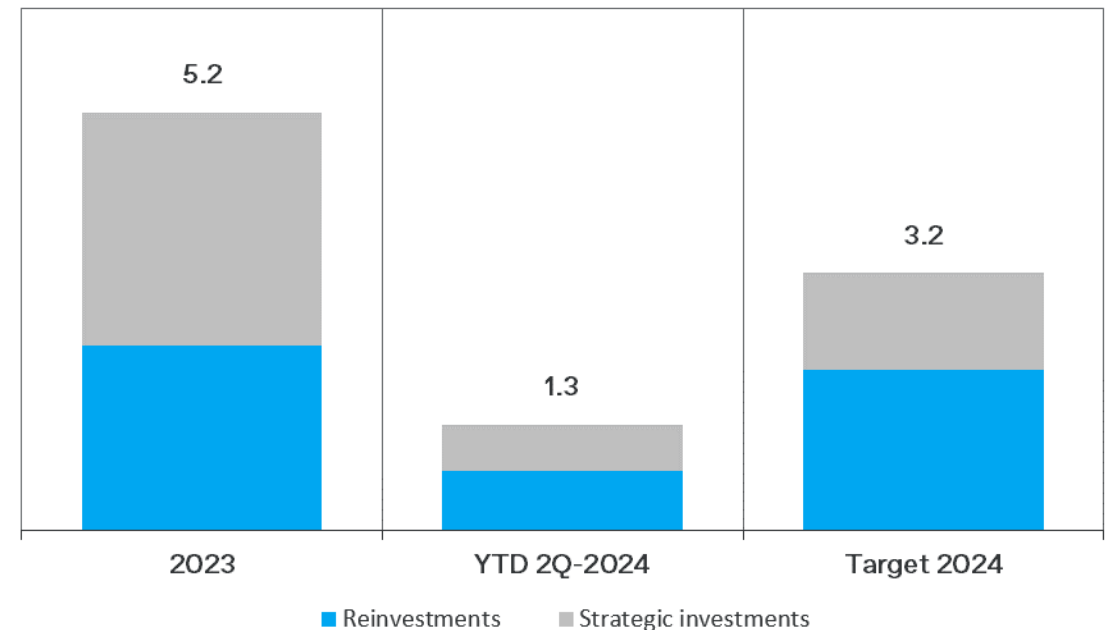


# Investment levels reduced according to plan

- Elkem's target is to reduce capex by > BNOK 2.0 compared to 2023
  - Reinvestment target approx. BNOK 2.0 (80-90% of D&A)
  - Strategic capex target approx. BNOK 1.2
- Capex YTD 2Q-2024 was BNOK 1.3, well on path to reach target
- The Silicones expansion project in China was finalised in May 2024, while the ongoing project in France will be completed in 4Q-2024
- With these two projects finalised, Elkem is well invested in the capital-intensive upstream business and has the flexibility to keep investments at a low level going forward, if needed



## Reinvestments and strategic capex Target 2024 – reduction by > BNOK 2.0 vs. 2023



# Successful start-up of the silicones project in China

- The Silicones expansion project in China has been successfully concluded on time and on budget
- Commercial production started in May, with expected ramp up in 2024
- The project will improve Elkem's cost position, environmental performance, and deliver higher upstream product quality
- Based on current market conditions, the new production line is expected to generate revenues of NOK 1.5 billion in 2024
- The silicones project in France, will also enhance productivity and improve cost competitiveness. Completion expected in 4Q-2024



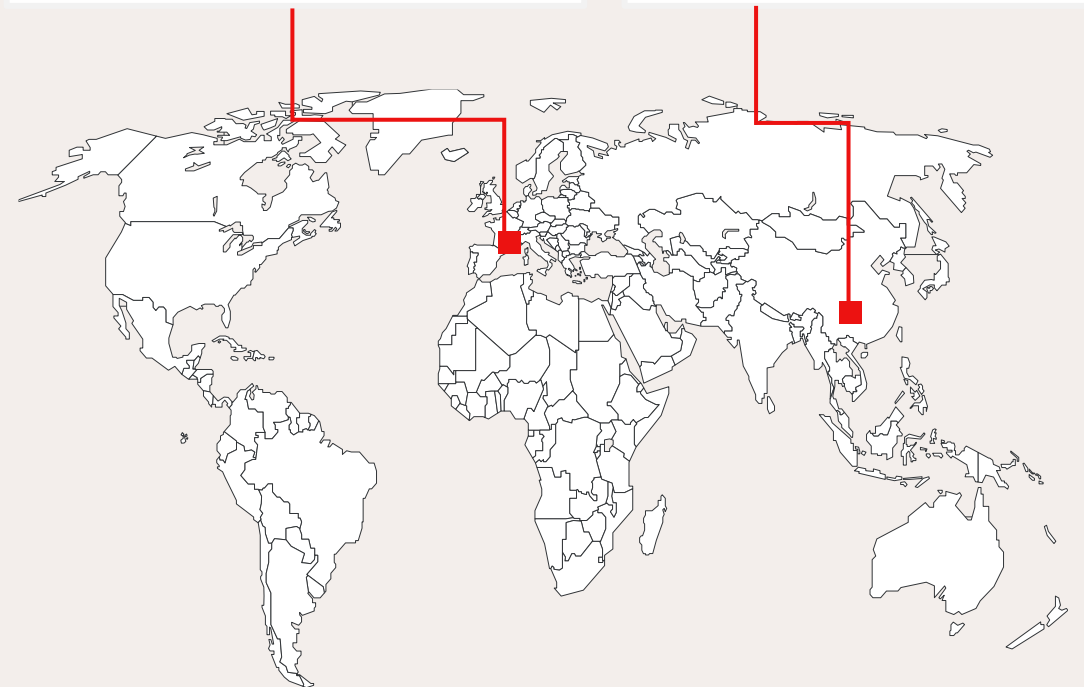
**Silicones project in France**

Capacity increase: +25% / +20 ktpa  
Total capacity: 100ktpa  
Start-up: 4Q-2024  
Investment  $\approx$ 0.4 BNOK



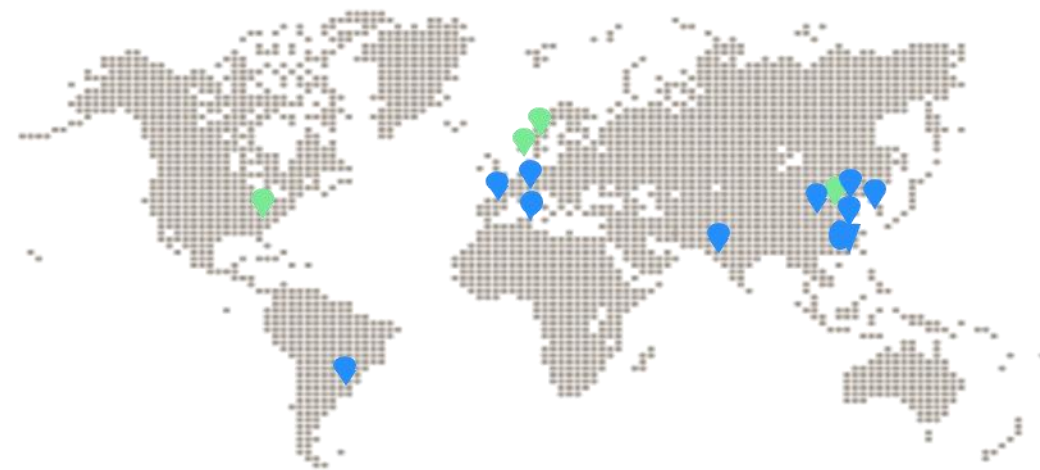
**Silicones project in China**

Capacity increase: +50% / +120 ktpa  
Total capacity: 360 ktpa  
Start-up: May 2024  
Investment  $\approx$ 4.0 BNOK



# Continued focus on innovation and specialisation

- Elkem has an ambitious innovation strategy to accelerate growth through specialisation
- Elkem being recognised and winning awards for product development, e.g. the 2024 Ringier Innovation Award for its newly developed silicone rubber, and the 2024 SEAL Sustainable Product Award for innovations that positively impact the environment
- Partnership with Polestar, aiming to create a truly climate neutral car by 2030, eliminating greenhouse gas emissions from every aspect of the supply chain and production
- The Salaise plant in France is highly specialised for production of organo-functional silicones and now ready to start industrial scale production of applications for personal care and release coating
- Elkem has developed applications for UV LED technology that reduces the need for electrical power by up to 50%



**577** R&I FTE

**14**

R&I centres and application centres

**> 1200**

Patents

**> 50**

Scientific collaborations

**>6 NOK billion**

Sales of products developed within the last five years in 2023 (>15%)

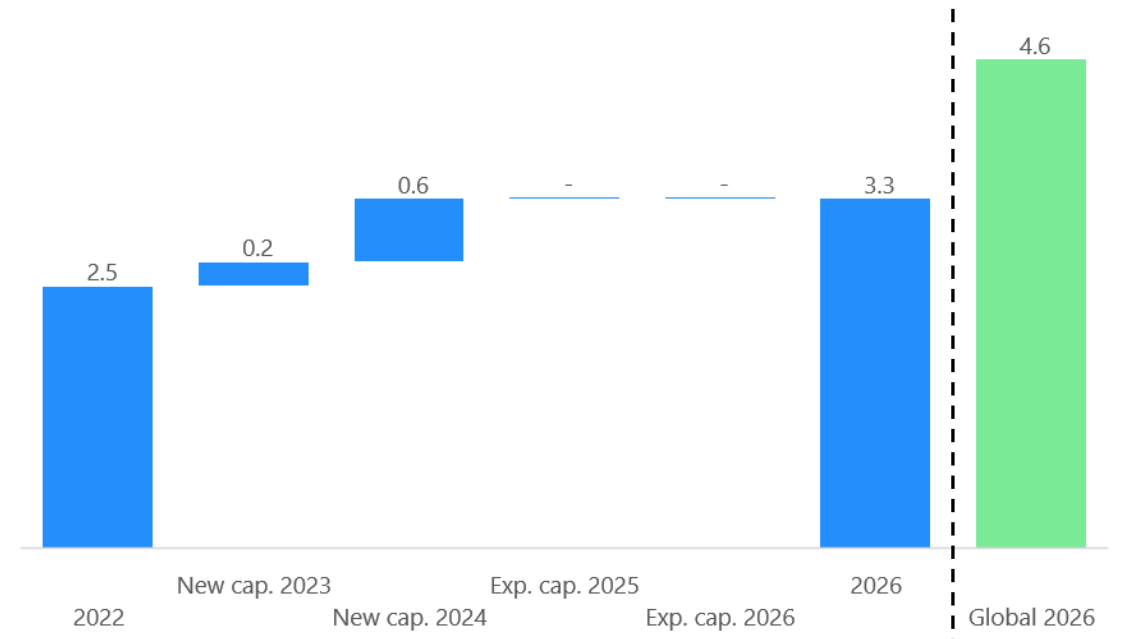


# Limited new capacity additions in China beyond 2024

- The silicones capacity in China has increased significantly over the past years, leading to current oversupply
- Nameplate capacity additions in 2024 is estimated to 0.6 million tonnes. Actual production will depend on start-up date and subsequent ramp up
- The oversupply situation has resulted in low prices for silicones in China, affecting also other markets, particularly commodity grades
- Indications that Chinese producers are cancelling or postponing projects due to low market prices and weak profitability. Available information indicate no, or limited, new capacity in 2025 or 2026
- Global production capacity for siloxane is estimated to reach 4.6 million tonnes by end of 2026



Estimated production capacity siloxane (in million tonnes)



# Macro-economic outlook is improving

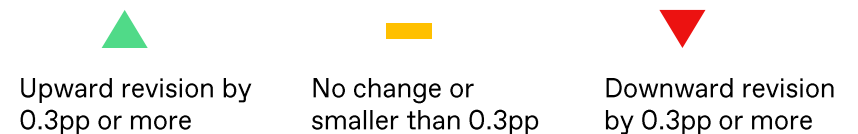


- Elkem’s sales assumed to be closely linked to GDP growth
- The recent macro-economic sentiment has been weak, due to tighter financial conditions and other adverse factors, such as the war in Ukraine and conflicts in the Middle East
- OECD’s Economic Outlook from May 2024 indicates a better development than previously projected
  - Growth has been robust in the US, driven by strong household consumption and expansionary fiscal policy
  - Growth strengthened in China in 1Q-2024, with policy stimulus measures to offset continued weakness in property markets
  - In the Euro area GDP growth is projected to remain weak at 0.7% in 2024, but pick up to 1.5% in 2025 as domestic demand recovers

## GDP growth projections in % (source OECD)

	2023	2024	2025
World	3.1	3.1	3.2
G20	3.4	3.1	3.1
China	5.2	4.9	4.5
Euro area	0.5	0.7	1.5
United States	2.5	2.6	1.8

Revisions relative to the latest estimates from OECD’s November 2023 Economic Outlook

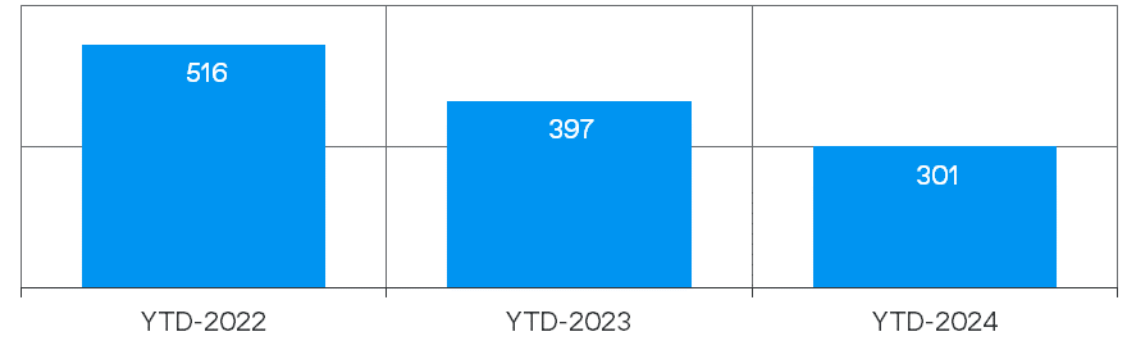


# China market update – construction still weak



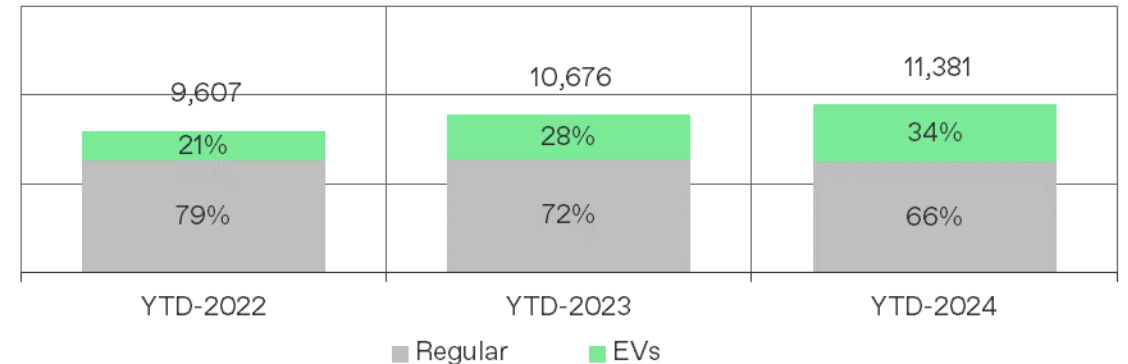
- The construction market in China is still weak. Statistics show new housing projects YTD-May 2024 at 301 million m<sup>2</sup>, down 24% compared to the corresponding period last year
- China automobile production in YTD-May 2024 was 11.4 million units, up 7% compared to the same period in 2023. The share of EVs was 34%, up from 28% YTD-2023 and 21% YTD-2022
- Silicon production YTD-May 2024 was 1,603kt, up 30% compared to the same period in 2023, primarily driven by polysilicon
- Silicones (siloxane) production was 896kt, up 13% compared to the same period in 2023

China Construction – New housing projects (million m<sup>2</sup>)



Source: National Bureau of Statistics of China

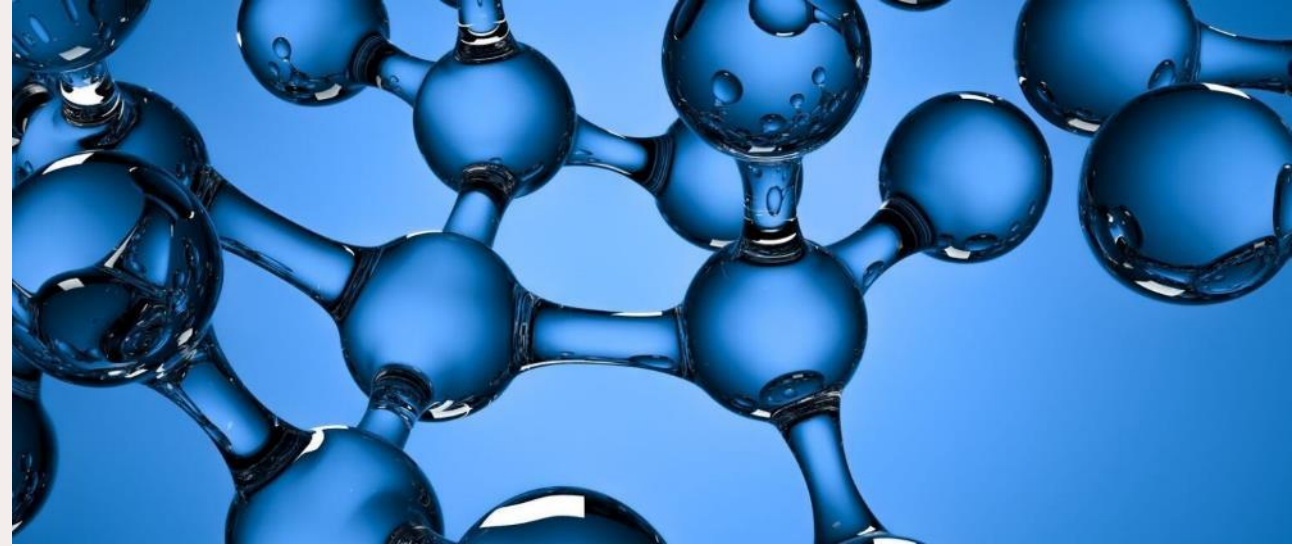
China Automobile production volume YTD-February (1,000 units)



Source: CAAM

# Commodity grades hampered by overcapacity, specialty grades improving

- Silicones markets generally weak, negatively impacted by construction, and still weak automotive markets in EU and US
- Demand for specialty grades gradually recovering, but at a moderate rate
- DMC prices have remained stable at a low level during 2Q-2024. Prices likely to remain at current level in the near term due to additional capacity in China in 2H-2024
- Outside of China, Shin Etsu announced a global price increase of 10% in June, due to general inflationary pressure. The price increase will likely be followed by other producers



DMC reference price China (CNY/mt)



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

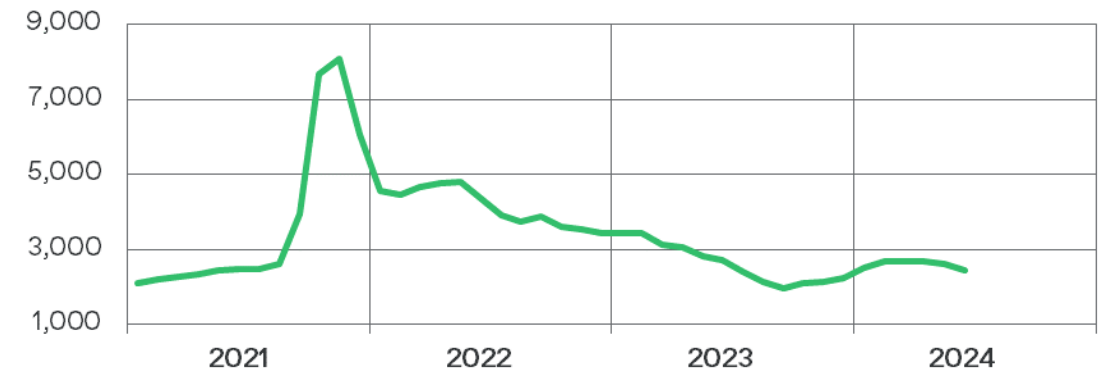


# Stable prices in EU for most grades, prices up in the US

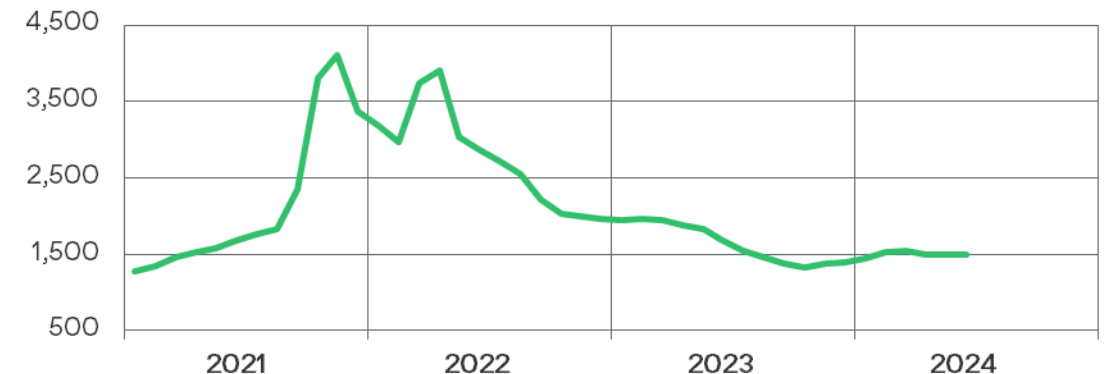


- Prices for silicon and ferrosilicon recovered in Europe late 2023 and early 2024, but market conditions remain weak and silicon reference prices were slightly down towards the end of 2Q-2024
- Prices for silicon and ferrosilicon in the US have increased due to tight supply, improved demand, and antidumping investigations on ferrosilicon imports against four countries
- Silicon prices in China have declined in 2Q-2024 due to weak markets and seasonal oversupply, due to increased production during the wet season
- Lower prices in China have impacted prices in EU, but exports still affected by high sea freight prices and disruptions in the Red Sea

CRU silicon 99 price EU (EUR/mt)



CRU ferrosilicon 75 price EU (EUR/mt)

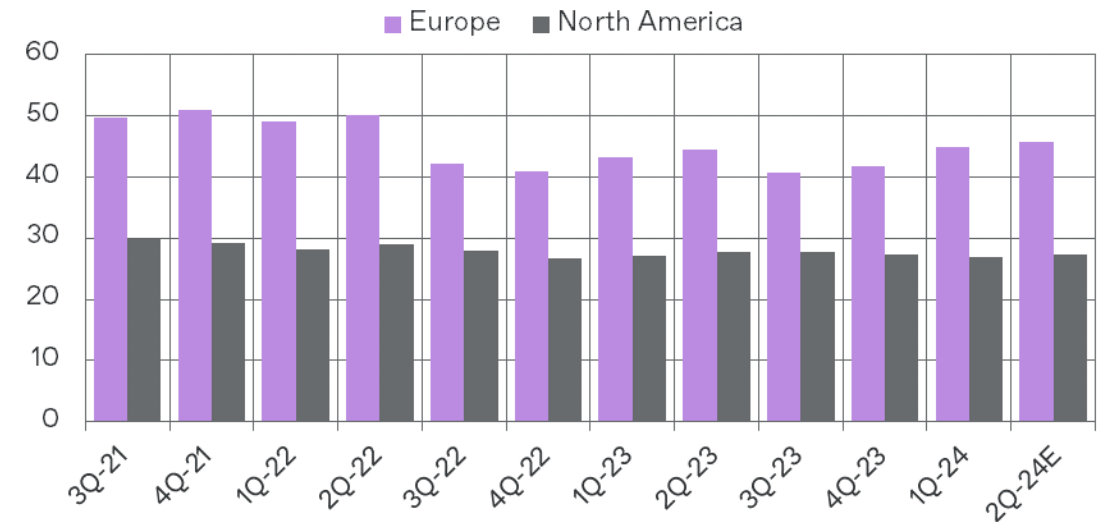


# Stable markets supported by specialties

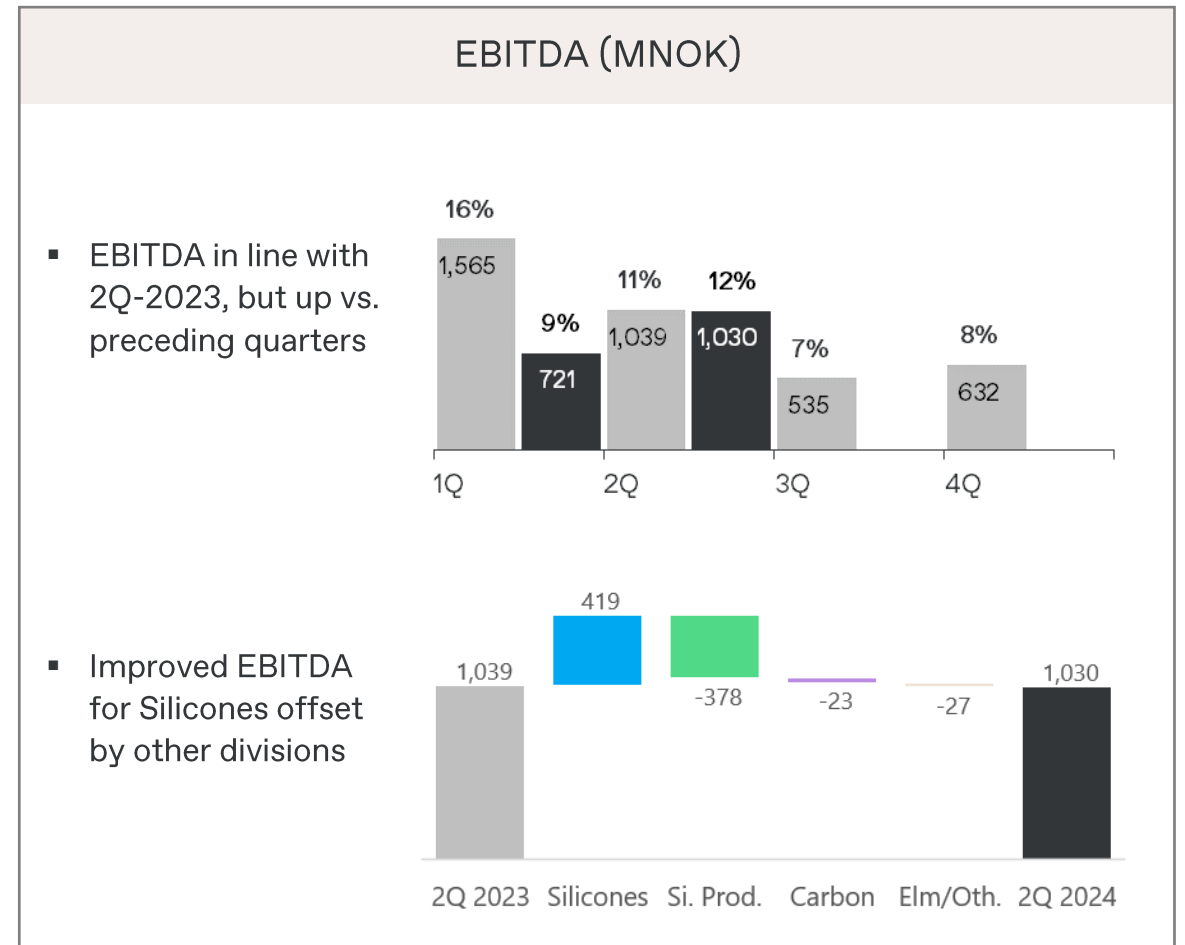
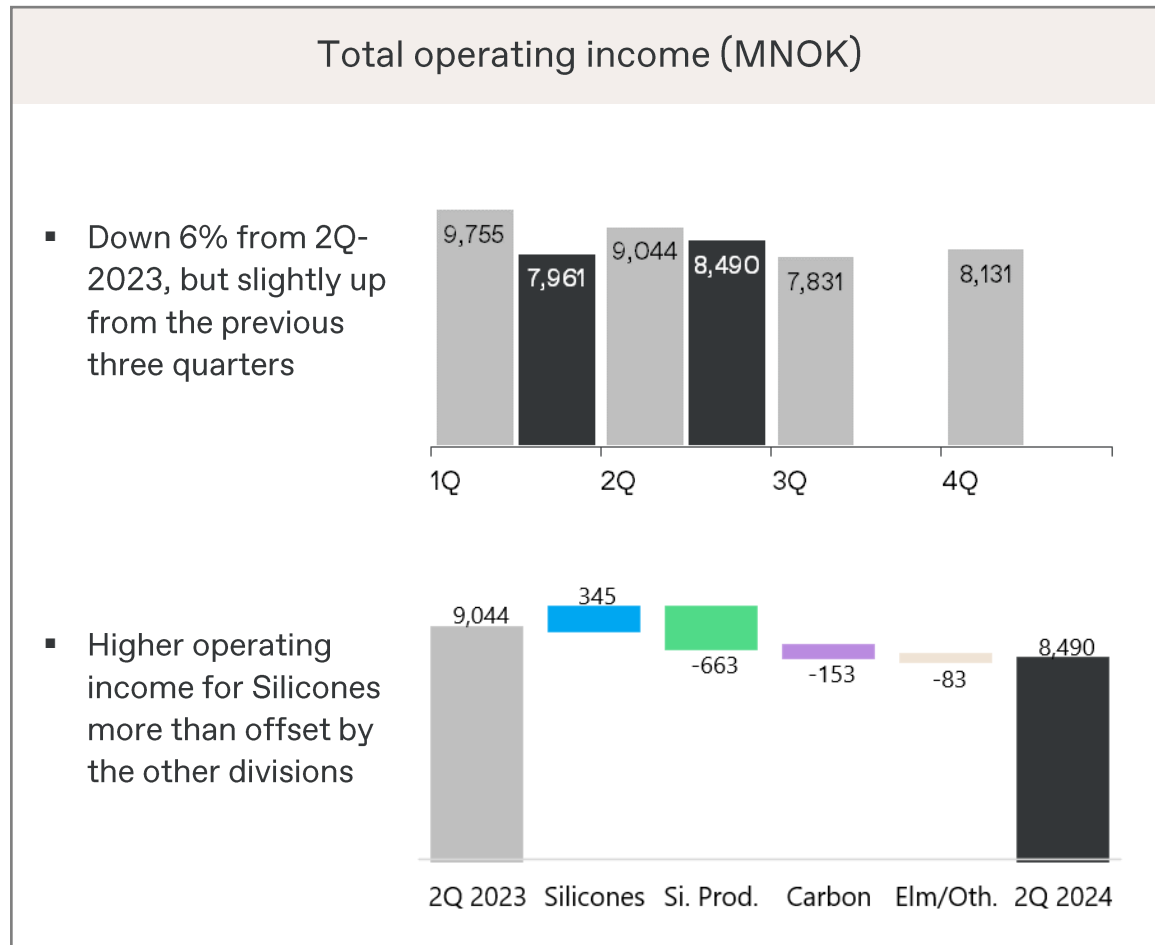
- Demand for carbon products varies across regions driven by steel, ferroalloys, and aluminium
- Global steel production in second quarter 2024 in line with second quarter last year. Low but stable production in Europe and North America
- Carbon Solutions' specialty product portfolio contributing to consistent and stable performance across markets and regions



Crude steel production (million mt)



# Continued EBITDA improvements



# Overview financial ratios

- EBITDA MNOK 1,030
  - Segment Other included realised currency hedging losses of MNOK 21
- D&A and Impairment losses
  - After finalisation of the silicones project in China, D&A per quarter will increase by approx. MNOK 60. Impairments included write downs of MNOK 139, mainly related to Biocarbon and Lübeck
- Other items MNOK -35
  - Consisting of gains on power and currency derivatives MNOK 66, offset by restructuring expenses MNOK -40, currency losses of MNOK -35, and net other items of MNOK -25
- Net finance income (expenses) MNOK -218
  - Consisting of net interest expenses MNOK -198, currency losses of MNOK -35, and net other financial items of MNOK 15
- Tax MNOK 892
  - Included a positive effect of MNOK 1,067 due to recognition of tax losses carried forward from the REC Solar Norway acquisition

## Consolidated key figures

<i>(NOK million, except where specified)</i>	2Q 2024	2Q 2023	YTD 2024	YTD 2023	FY 2023
Total operating income	8,490	9,044	16,450	18,798	34,760
EBITDA	1,030	1,039	1,750	2,604	3,771
EBIT <sup>(1)</sup>	266	469	380	1,494	1,365
Other items	-35	37	-234	590	516
Net finance income (expenses)	-218	-182	-256	-291	-668
Profit (loss) before income tax	-11	255	-322	1,640	951
Tax	892	-193	789	-596	-781
Profit (loss) for the period <sup>(2)</sup>	854	36	415	989	72
<b>Key ratios</b>					
EPS (NOK per share)	1.35	0.06	0.65	1.56	0.11
Equity ratio (%)	51%	50%	51%	50%	48%
Net interest bearing debt (NIBD) <sup>(3)</sup>	10,333	8,191	10,333	8,191	9,450
Leverage ratio	3.5	1.1	3.5	1.1	2.5
Reinvestments % of D&A	71%	128%	60%	96%	102%
ROCE (annualised) (%)	3%	6%	2%	9%	4%

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

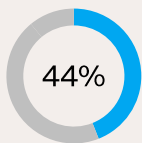
<sup>(2)</sup> Owners of the parent's share of profit (loss)

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

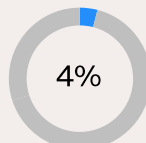


# Operational improvements in weak markets

- Total operating income of MNOK 3,769, up 10% from the second quarter last year
  - Mainly explained by higher sales volume, partly countered by lower sales prices
- EBITDA of MNOK 45, up from MNOK -374 in the second quarter last year
  - Explained by higher sales volume and operational improvements
  - Second quarter 2023 impacted by maintenance stop in China and inventory write down
- Sales volume up in all regions compared to second quarter last year



Share of operating income



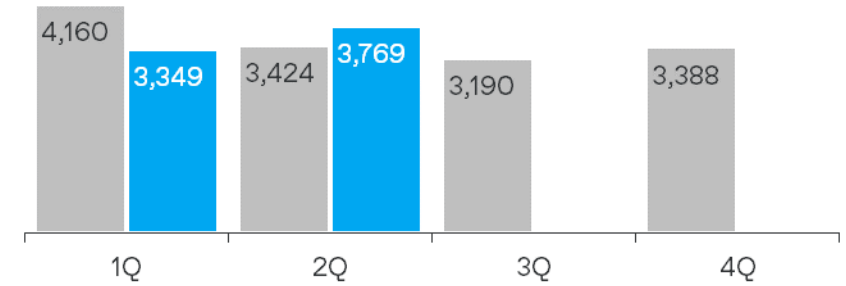
Share of EBITDA

Share of operating income from external customers ex. Other

Share of EBITDA ex. Other and Eliminations

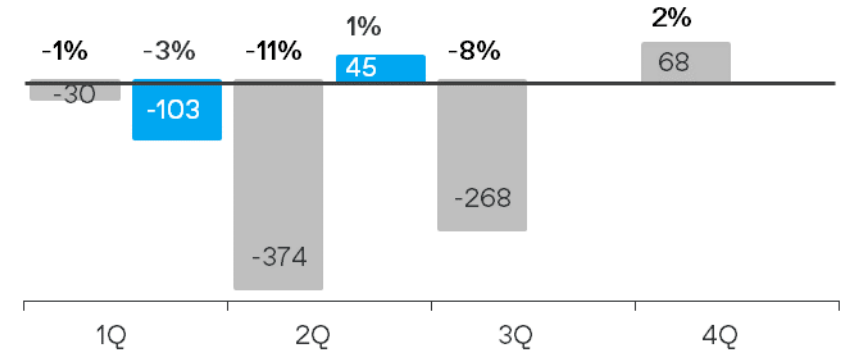
## Total operating income

NOK million



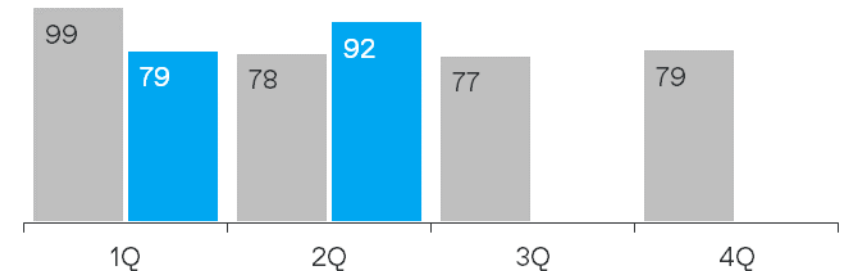
## EBITDA and margin

NOK million and %



## Sales volume

In 1,000 mt

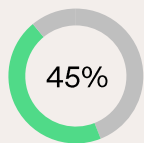


■ 2023

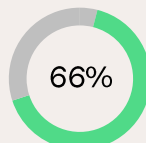
■ 2024

# Stable development, challenging markets

- Total operating income of MNOK 4,100, down 14% from the second quarter last year
  - Lower operating income mainly explained by lower sales prices
- EBITDA of MNOK 742, down 34% from the second quarter last year
  - Reduced EBITDA mainly explained by lower sales prices, partly countered by lower raw material costs
  - Insurance compensation for Elkem Salten included to reflect estimated operating losses compared to normal operations
- Still weak demand from silicones, aluminium, and steel markets



Share of operating income



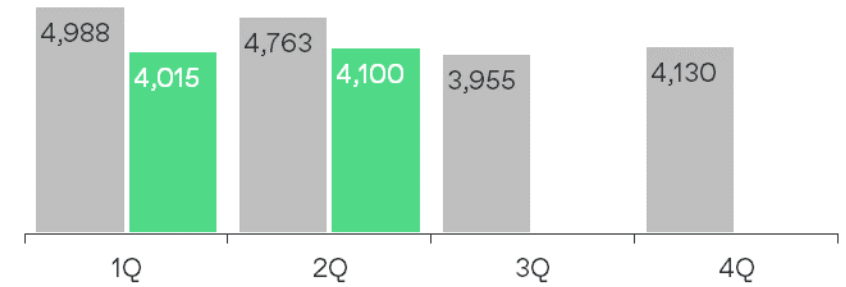
Share of EBITDA

Share of operating income from external customers ex. Other

Share of EBITDA ex. Other and Eliminations

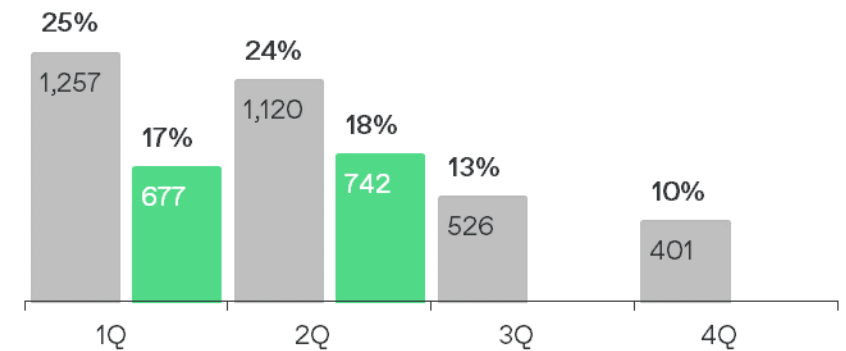
## Total operating income

NOK million



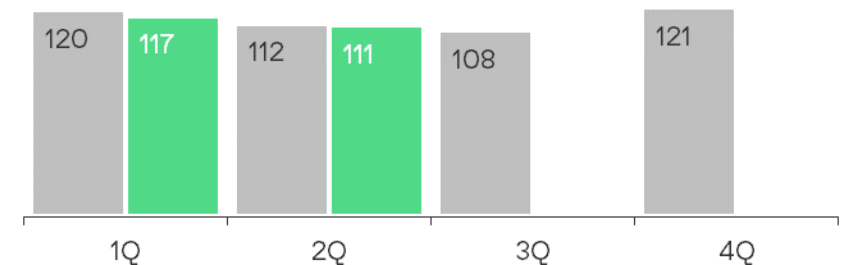
## EBITDA and margin

NOK million and %



## Sales volume

In 1,000 mt

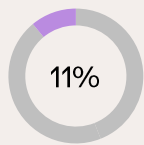


■ 2023

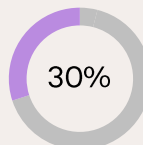
■ 2024

# Strong performance and higher sales volume

- Total operating income MNOK 1,007, down 13% from the second quarter last year
  - Mainly explained by lower sales prices
- EBITDA of MNOK 331, down 6% from the second quarter last year
  - Mainly explained by lower sales prices. This has partly been offset by lower raw material costs and higher sales volume
- Sales volume in line with second quarter last year, still impacted by weak ferroalloys market



Share of operating income



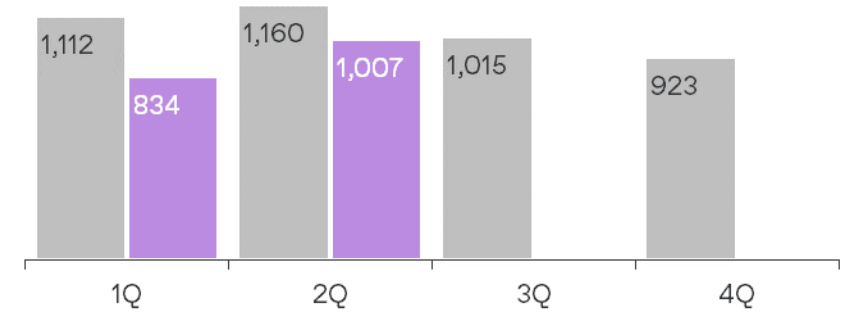
Share of EBITDA

Share of operating income from external customers ex. Other

Share of EBITDA ex. Other and Eliminations

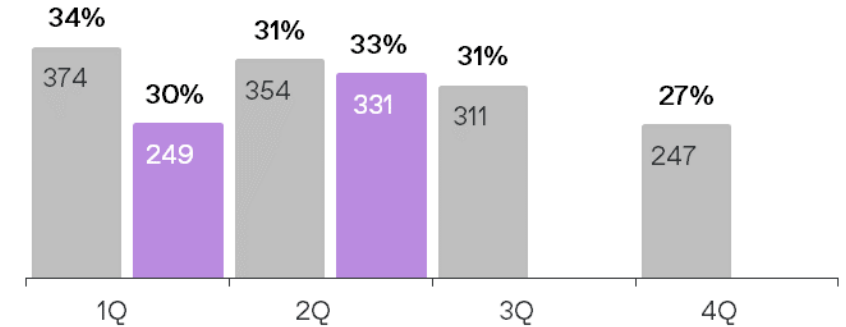
## Total operating income

NOK million



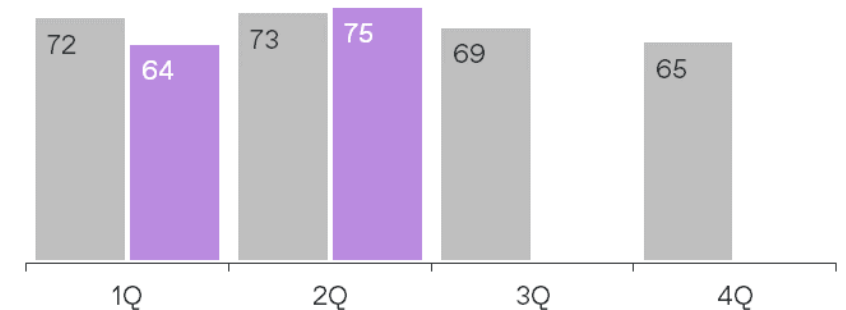
## EBITDA and margin

NOK million and %



## Sales volume

In 1,000 mt



■ 2023

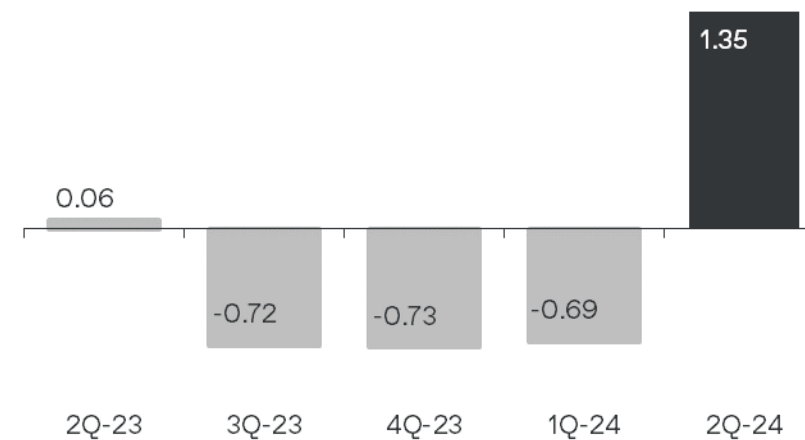
■ 2024

# Improved EPS and robust equity

- Earnings per share (EPS) amounted to NOK 1.35 in the second quarter
  - EPS positively impacted by tax effects
  - EPS YTD-2024 was NOK 0.65
  
- Total equity amounted to BNOK 25.4 as at 30 June 2024, up BNOK 0.9 from year-end 2023
  - Equity to total assets (equity ratio) at 51%

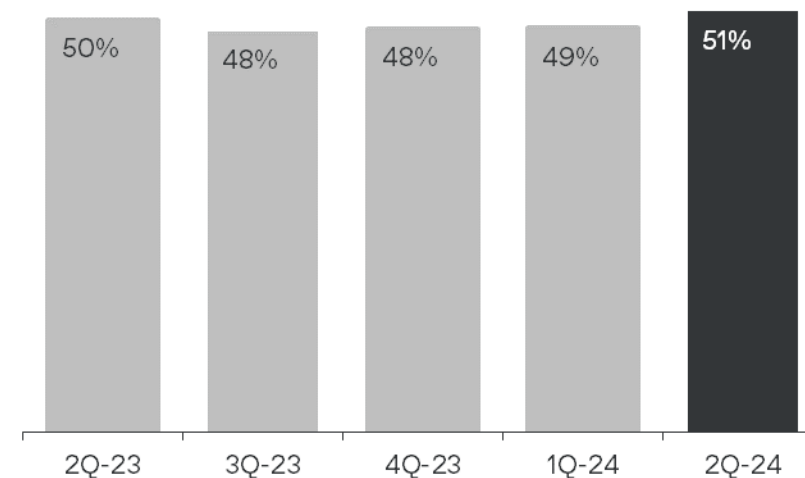
## Earnings per share (EPS)

NOK per share



## Equity ratio

In percent of total assets



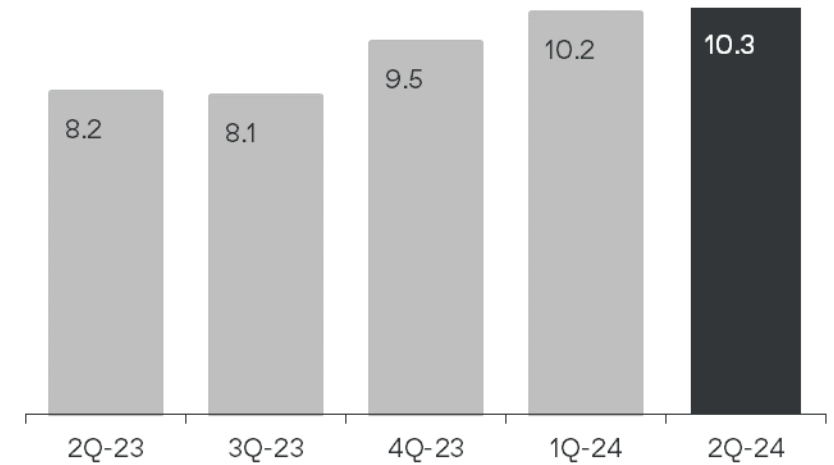


# Well managed financing position

- Net interest-bearing debt (NIBD) of BNOK 10.3 as at 30 June 2024
  - Leverage ratio of 3.5x, unchanged from last quarter, based on LTM EBITDA of BNOK 2.9
  
- Good financing position
  - Debt maturities in China in 2024 mainly consist of local working capital financing, which is regularly rolled over
  - The interest cover covenant in loan agreements was reduced to 3.0x from 4.0x for 2024 as per waiver agreement. By end of the second quarter, the interest cover ratio was 3.8x
  - Extension of Elkem’s RCF by one year to June 2029 approved by Elkem’s bank group. The RCF remains undrawn

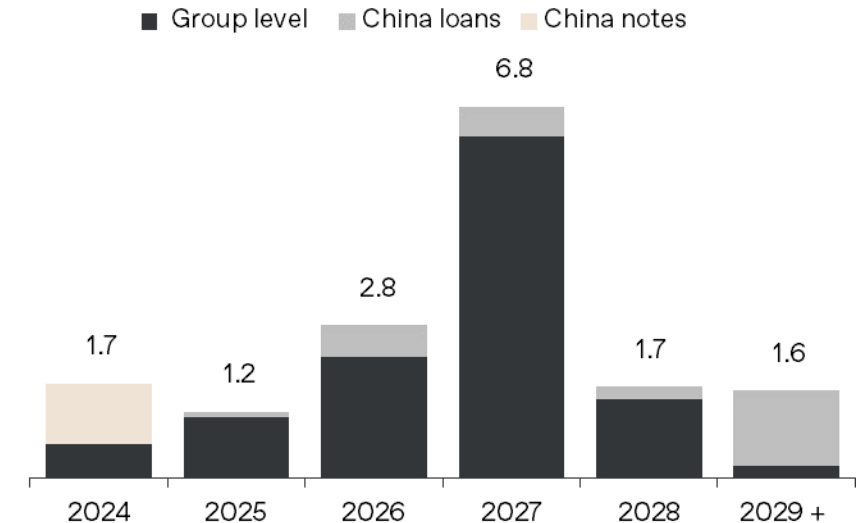
## Net interest-bearing debt (NIBD)

NOK billion



## Maturity profile

NOK billion



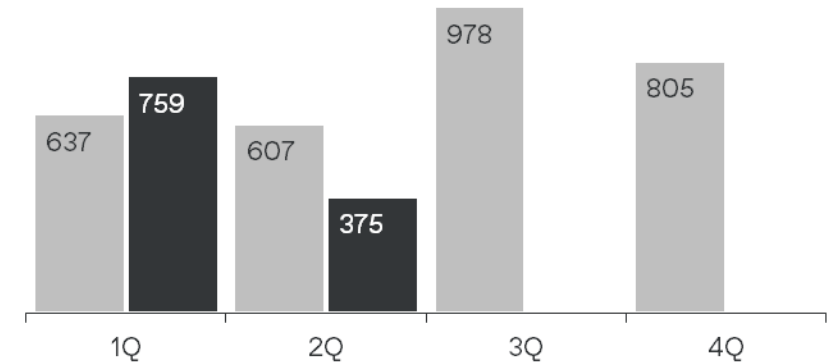
# Positive cash flow generation, investments significantly lower

- Cash flow from operations<sup>(1)</sup> was MNOK 375 in the second quarter 2024
  - The cash flow was weaker than the corresponding quarter last year, explained by negative working capital changes
  
- Investments ex. M&A of MNOK 701 in the second quarter 2024
  - Reinvestments were MNOK 445, amounting to 71% of D&A
  - Strategic investments were MNOK 257, mainly related to the acquisition of REC Solar Norway, and the silicones projects in France and China. The silicones expansion project in China was finalised in May 2024

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

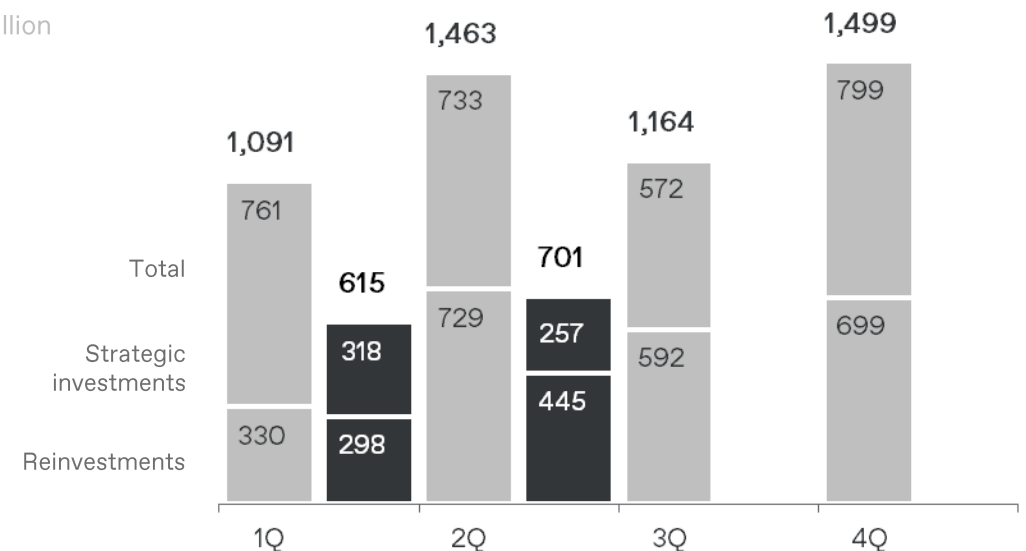
## Cash flow from operations

NOK million



## Investments ex. M&A

NOK million



■ 2023

■ 2024

# Outlook for the third quarter 2024

- The market sentiment is relatively weak, but showing signs of gradual improvement
- Silicones expects improved demand in Europe and US, but the Chinese market is still hampered by overcapacity. Elkem's focus on EBITDA improvements and the new production line expected to have positive effects
- Silicon Products expects to benefit from improved market conditions, countering seasonally lower activity in Europe during the summer holiday
- Carbon Solutions expects still weak demand, but capitalises on strong and diverse market positions





# Important notice

Any statement, estimate or projection included in this presentation (or upon which any of the conclusions contained herein are based) with respect to anticipated future performance (including, without limitation, any statement, estimate or projection with respect to the condition (financial or otherwise), prospects, business strategy, plans or objectives of the company and/or any of its affiliates) may prove not to be correct.

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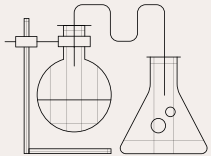


# Appendix

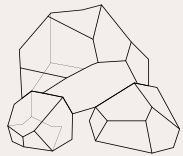


# We are Elkem

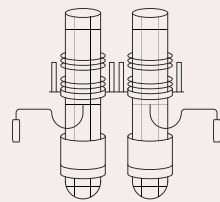
Advanced silicon-based materials shaping a better and more sustainable future



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**



# Strategy remains firm - dual-play growth & green leadership

**Profitable growth:**  
Top 3 in silicones worldwide  
Number 1 in silicon products and carbon solutions in the West

## Dual-play growth

- Balanced between geographic regions (East & West)
- Balanced across the value chain (Upstream & Downstream)



## Green leadership

- Strengthening position as best in the industry on low CO<sub>2</sub>
- Growing supplies to green transition & creating green ventures

### Silicones

- Balanced geographical growth
- Improve cost position
- Higher degree of specialisation

### Silicon Products

- Selective growth
- Secure leading cost positions
- Lower carbon emissions

### Carbon Solutions

- Selective growth in West
- Sustainable low-cost position
- Preferred supplier with high quality

## We are Elkem

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

**Growth**  
>5% per year

**EBITDA**  
>15% per year

**Reduce CO<sub>2</sub>**  
-28% 2020-31

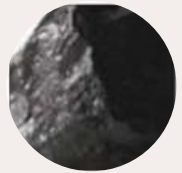
**Net zero**  
By 2050

# 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



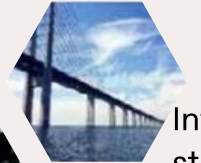
Carbon solutions

## 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



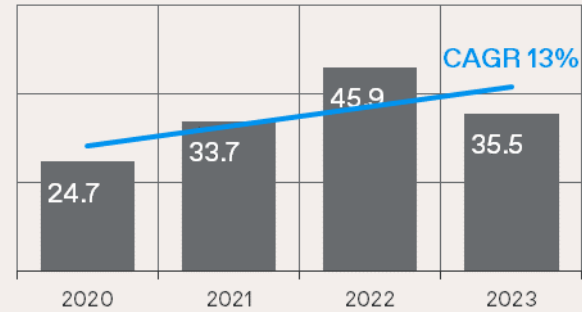
# Delivering good results over the business cycle

- 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

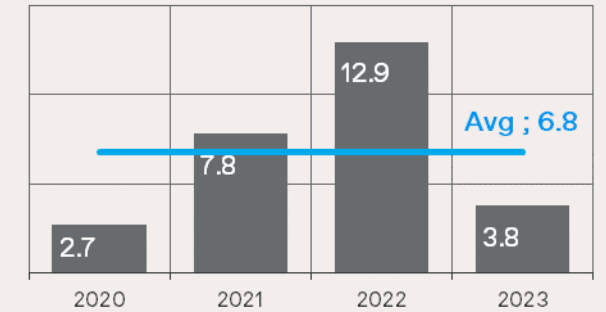


Figures in NOK billion unless otherwise stated

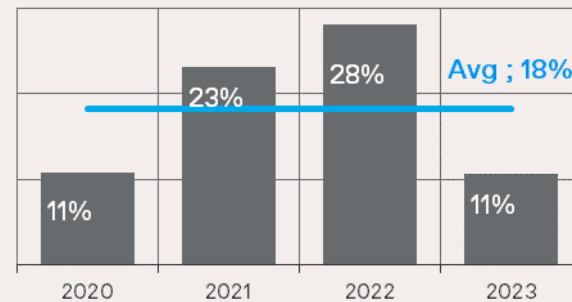
Operating income



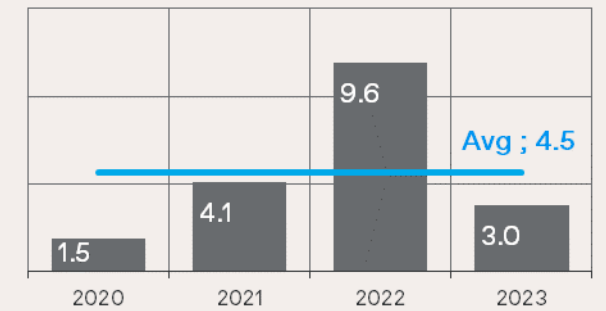
EBITDA



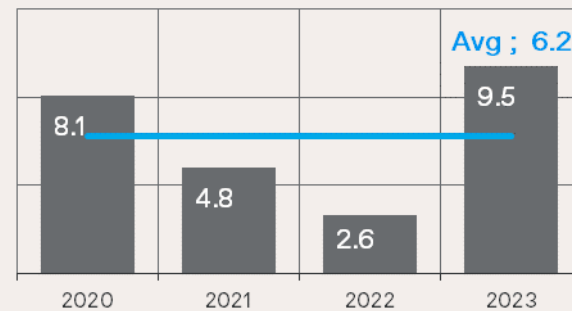
EBITDA margin



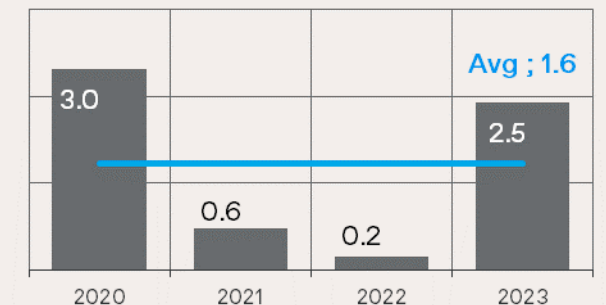
Cash flow from operations



NIBD



Leverage ratio

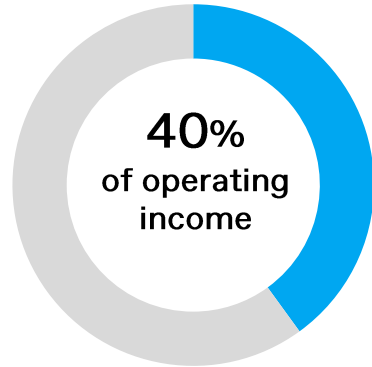




# Elkem operates through three divisions: All with global scale, leadership positions and global footprint

## Silicones

Fully integrated silicones manufacturer with focus on specialities



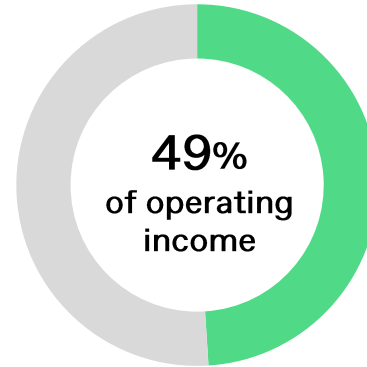
### End markets

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

13 main plants

## Silicon Products

Global producer and provider of silicon, ferrosilicon and specialities



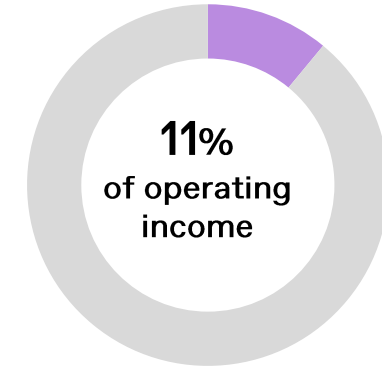
### End markets

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

12 main plants

## Carbon Solutions

Leading producer of electrode paste and specialty products

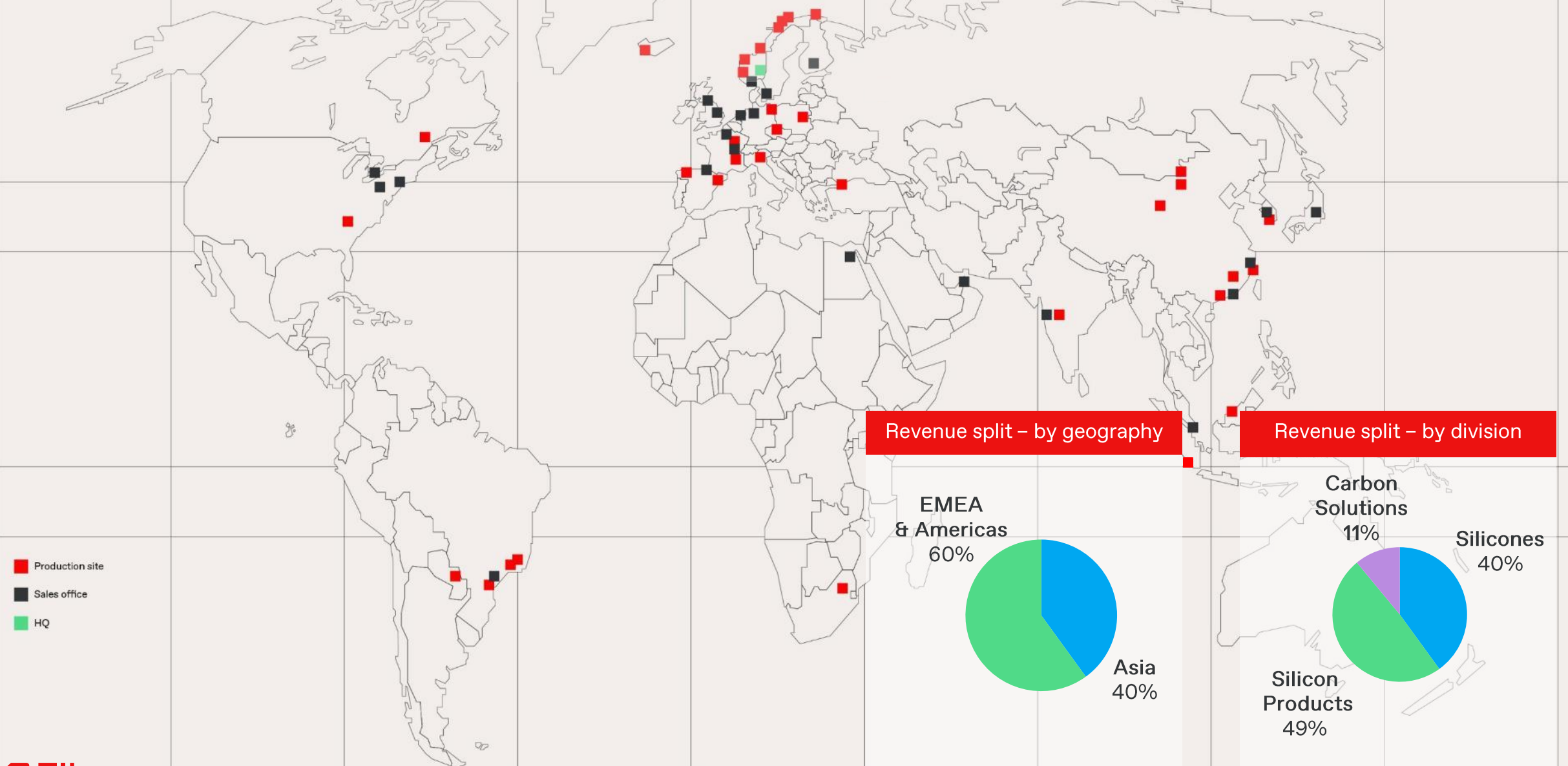


### End markets

- Ferroalloys
- Silicon
- Aluminium
- Iron foundries

6 main plants

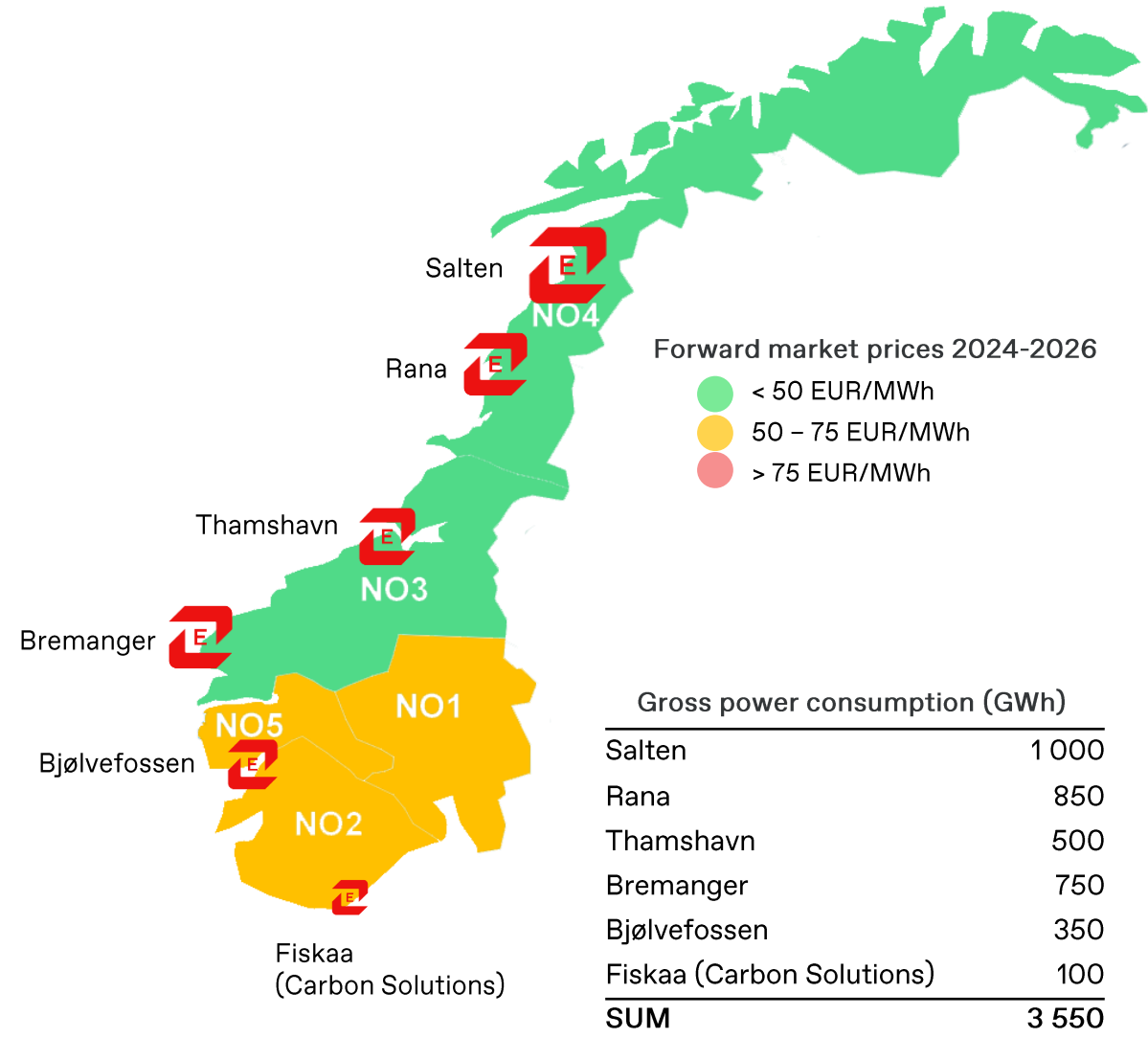
# Elkem's portfolio is well-balanced



# Well-positioned with long-term power contracts in Norway

- In the first quarter 2024, Elkem signed a new power contract in Norway. The new contract is for 9 years and expires end of 2035
- The total volume is 220 GWh per year, in price area NO4
- Elkem is well-positioned with long-term power contracts in Norway with around 80% of the electricity supply secured at competitive rates until end of 2027. After 2027, the hedging ratio is gradually declining
- Elkem is continuously evaluating the market conditions for new long-term contracts according to its hedging strategy

Location of Elkem's plants in price areas



# 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:

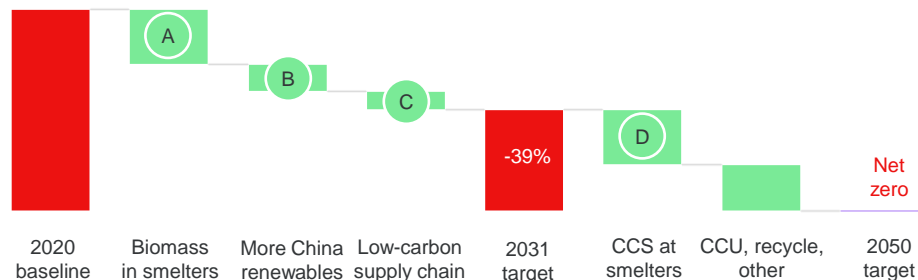
- Reducing absolute emissions\* by **28%** from 2020-2031
- Delivering **39%** improvement in product footprint\*\*

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



## Shifting to renewable power also in China

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



## Low-carbon supply chain

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



## Exploring potential of more CCS at smelters

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



# Solutions to global megatrends

## Total production capacity

- 80,000 mt in France (exp. to 100,000 mt in 2024)
- 360,000 mt in China
- Downstream specialty plants : 6 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



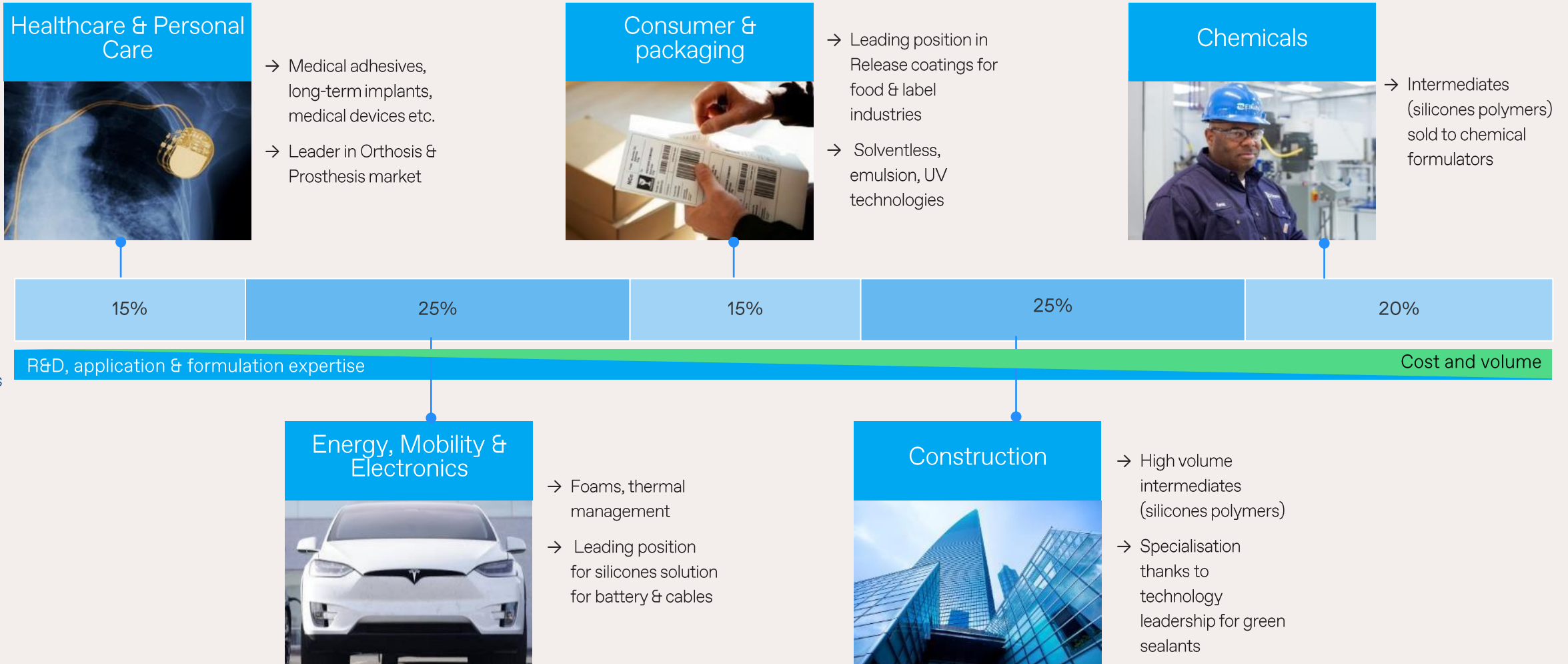
## Decarbonisation

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

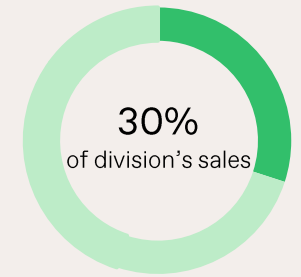
Industry players - examples



# Serving attractive end markets with advanced technologies



# Silicon – attractive cost position and downstream integration



## Raw materials

### Quartz



### Coal and biocarbon



### Electricity



## Products



### Total production capacity

- 205.000\* mt in Norway and China
- 175.000\* mt silicon grades
- 20.000 mt Silgrain®
- 10.000 mt Silgrain® specialties

### Properties

- Raw material in silicones and polysilicon optimising selectivity
- Alloy strengthening aluminium
- Semi-conductor insulating electronics
- Impurity management KSF

### Market dynamics

- 16% market share ex China (second largest merchant producer)
- Commodity with index linked prices

## Industry players\*\*

### Silicones (50%)



### Aluminium (30%)



### Polysilicon (10%)



### Specialty niches (10%)

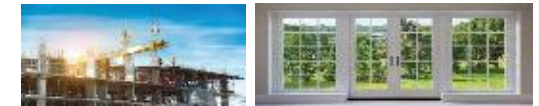


## End markets

### Consumer goods



### Construction



### Automotive



### Renewable energy



### Electronics

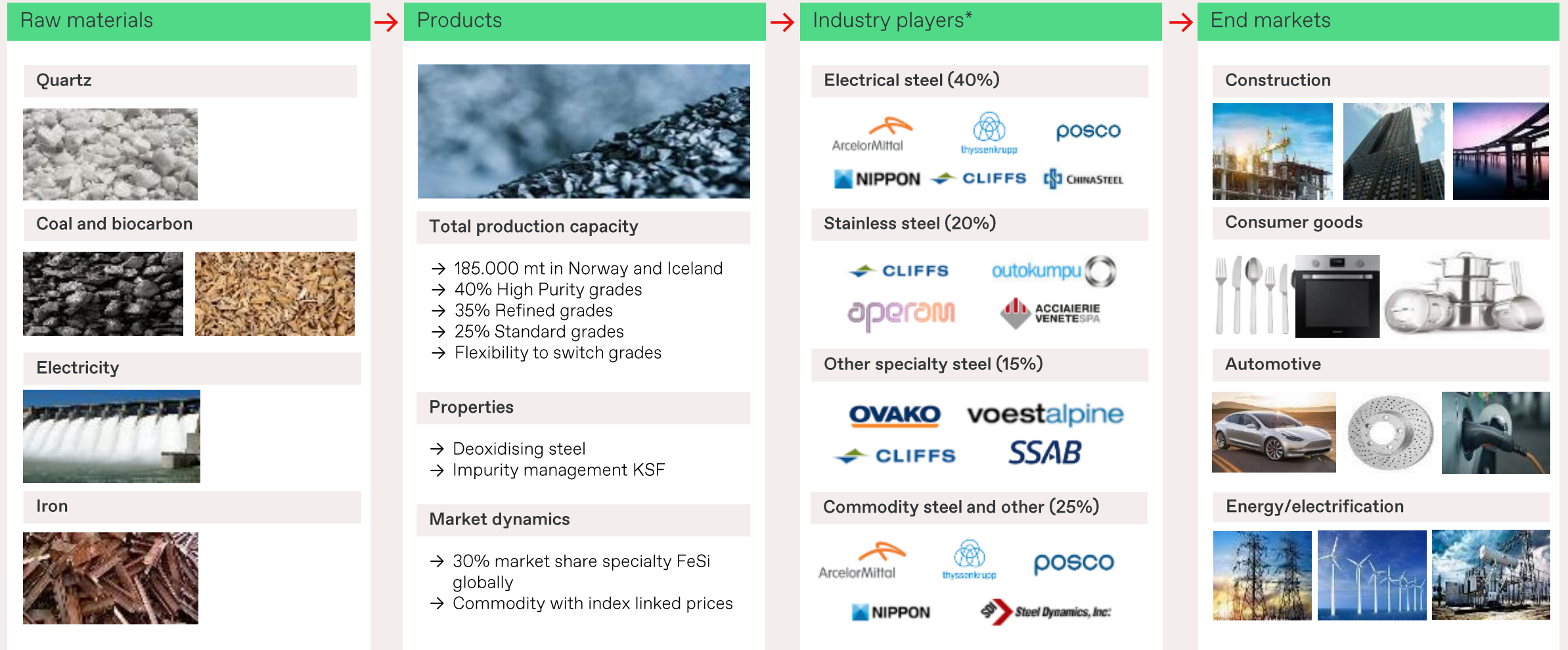
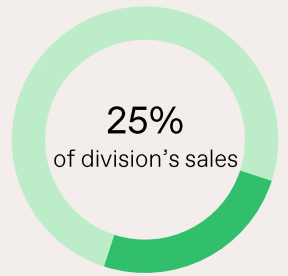


\* Of which 50.000 mt at Yongdeng plant (internal supplier to Elkem Xinghuo) reported in Elkem Silicones

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

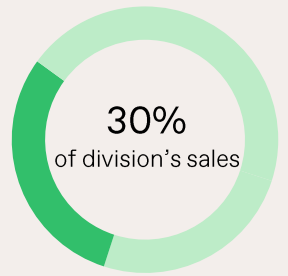


# Ferrosilicon – high quality products to specialty steel



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

# Foundry Alloys – global leader into cast iron metal treatment



## Raw materials

### Ferrosilicon



### Alloying elements



## Products



### Total production capacity

- 190.000 mt globally
- 60% FSM
- 20% Low potent inoculants
- 20% High/Medium potent inoculants
- Residual capacity utilised for ferrosilicon

### Properties

- Improves properties of ductile iron and controls the microstructure and mechanical properties of cast irons

### Market dynamics

- 50% market share in Europe, North America and India
- Negotiated quarterly prices



## Industry players\*

### Iron foundries



## End markets\*\*

### Automotive (50%)



### Engineering (35%)



### Wind turbines (10%)



### Pipes and fittings (5%)

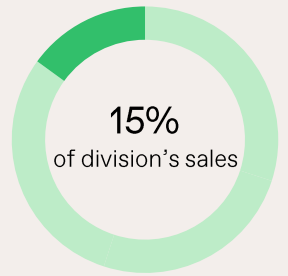


\* Companies named are examples and not necessarily customers

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



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



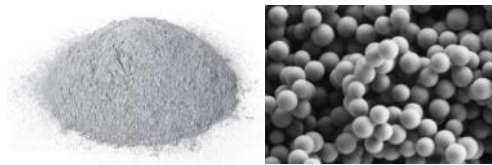
## Raw materials



→ Elkem pioneered the development to collect and process the off-gas of silicon and ferrosilicon, and is now the world's leading supplier of microsilica and related products



## Products



### Total capacity

- 300.000 mt microsilica globally (40% sourced externally)
- 35.000 mt other specialty materials

### Properties

- Additive for concrete to improve durability
- Used in refractories and ceramics for strength and heat resistance
- Additive in oilfield applications (cementing, drilling fluids and simulation operations)

### Market dynamics

- Global market leader with local presence
- Negotiated prices



## Industry players\*

### Construction (30%)



### Refractories (30%)

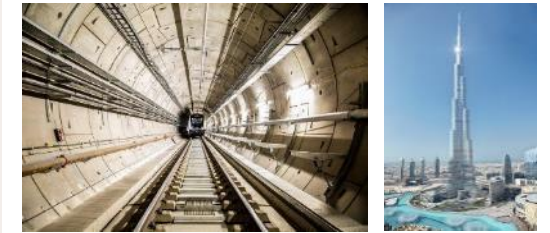


### Oilfield (40%)



## End markets

### Construction and infrastructure



### Refractories and ceramics



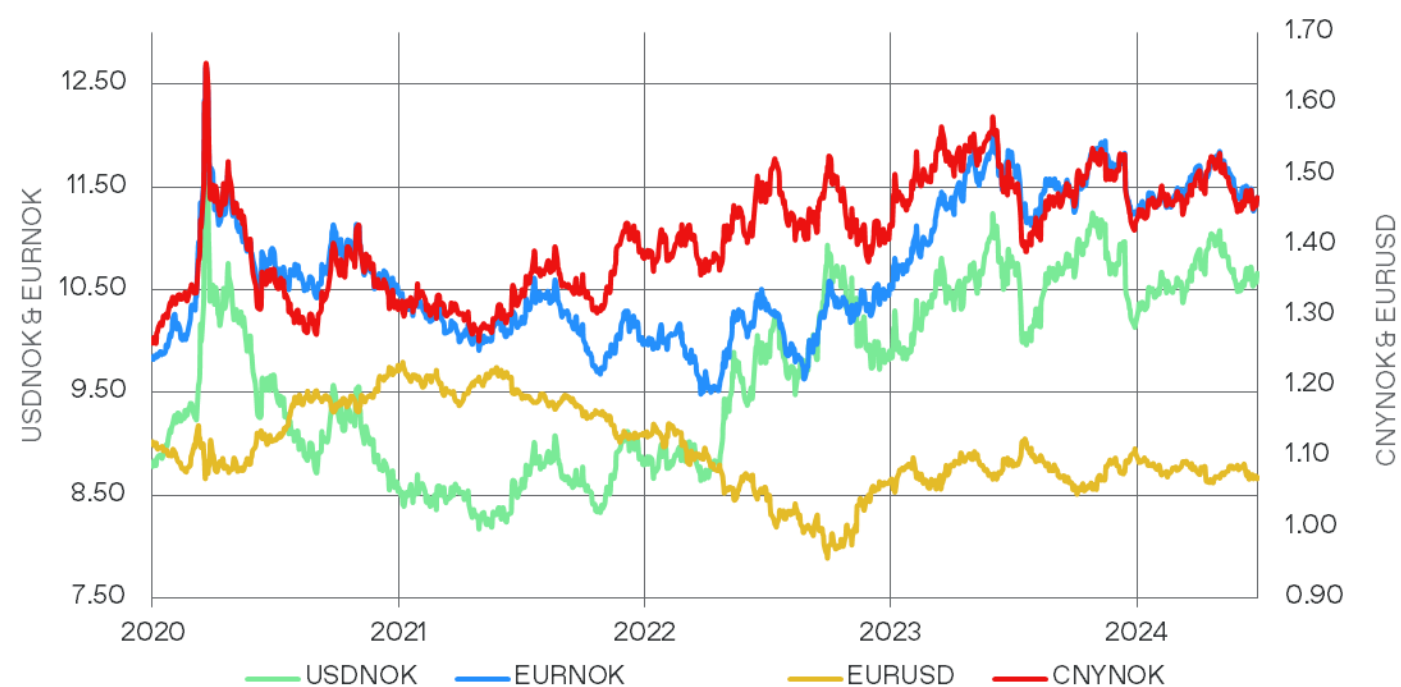
### Oilfield drilling fluids and cementing



\* 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 750 over the coming 12 months. CNY is not hedged



## Currency development

- As of 30 June 2024, the NOK closed 2% stronger against the EUR, 1% stronger against USD, and 2% stronger against CNY compared to 31 March 2023
- In 2Q-2024, the NOK was on average 1% stronger against EUR, stable against USD, and 3% stronger against CNY compared to 2Q-2023

# 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 2027. After 2027, 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 70 per year<sup>(\*)</sup>
  - 10% price change on ferrosilicon is expected to affect result by approx. MNOK 360 per year<sup>(\*)</sup>

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



Delivering your potential