

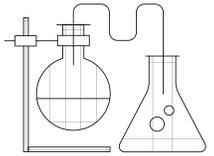


Nordic Materials Seminar

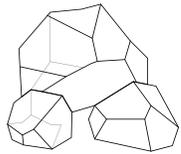
London, 16 June 2023

We are Elkem

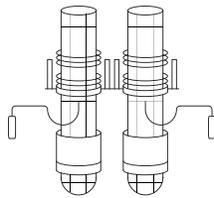
Advanced silicon-based materials shaping a better & more sustainable future



Silicones



Silicon Products



Carbon Solutions



Sustainable business model delivering strong 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



Automotive EV



Cooking, utensils



Release coating



Solar



Electronics



Total operating income

NOK 44.0 bn.



EBITDA

NOK 10.6 bn.



EBITDA margin

24 %



Head office in Norway

30 plants worldwide



Employees worldwide

~ 7,300



R&D centres in Norway, France and China

>600 R&D people

Dual-play growth & green leadership – a balanced strategy for changing markets

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 CO₂
→ 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

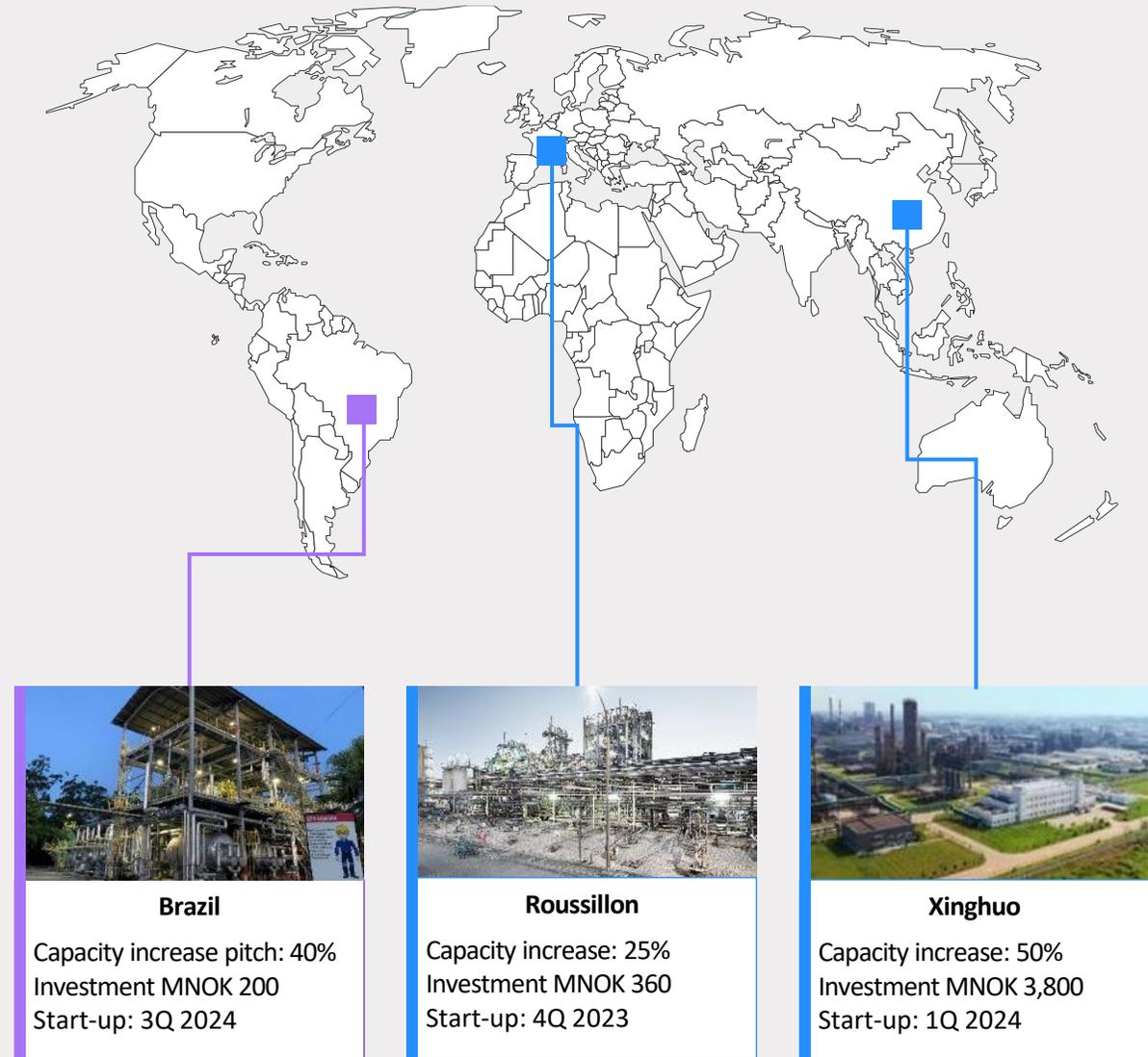
Reduce CO₂
-28% 2020-31

Net zero
By 2050

Capacity expansions driving profitable top line growth from 2024

- Silicones expansion in China
 - Increasing capacity by ~120,000 mt (50%)
 - Start up 1Q-2024 – project is on cost and time
 - Expected additional annual sales of more than BNOK 4.0
- Silicones expansion in France
 - Increasing capacity by ~20,000 mt (25%)
 - Start up 4Q-2023 – project on schedule
 - Expected additional annual sales of more than BNOK 2.0
- Carbon Solutions expansion in Brazil
 - Increasing pitch capacity by 40%
 - Start up 3Q-2024
 - Expected additional annual sales of more than BNOK 0.3

Announced capacity expansion projects



Increasing capacity in attractive specialty markets

- Elkem has entered into an agreement to acquire VUM, a Slovak producer of carbon based-materials
- The company produces carbon-based materials for industrial smelters, including anode paste, electrode paste and recarburisers
- The transaction will further increase Elkem's capacity and competence in attractive specialty markets and increase its flexibility in the supply chain
- Another example of Elkem delivering on its dual strategy with focus on diversified geographical growth across the value chain



Additional annual sales:

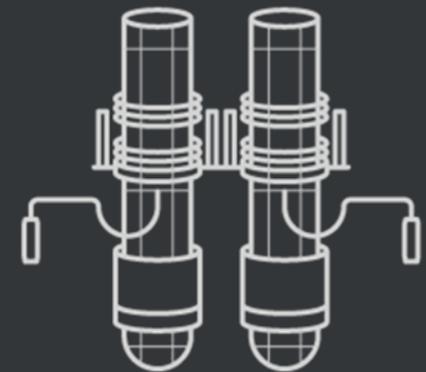
~MNOK 360

Capacity :

~Up to 50,000 mt

Employees:

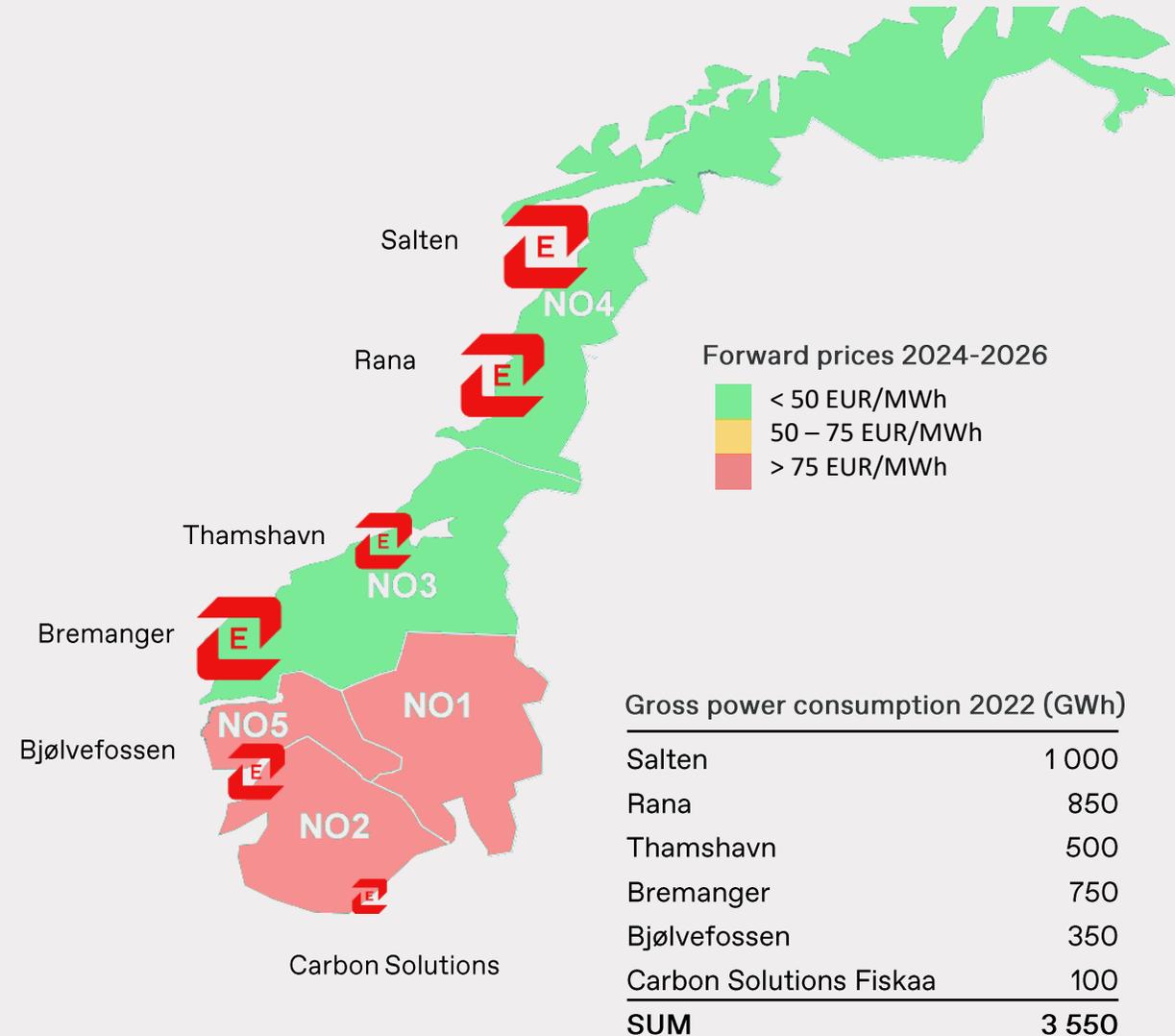
~65



New long-term power contracts signed in 1Q-2023

- 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 first quarter 2023, Elkem secured competitive access to power by entering into new contracts for up to 11 years, totaling 520 GWh p.a.
- The new contracts are covering Elkem’s plants in Bremanger, Rana and Salten in price area NO3 and NO4

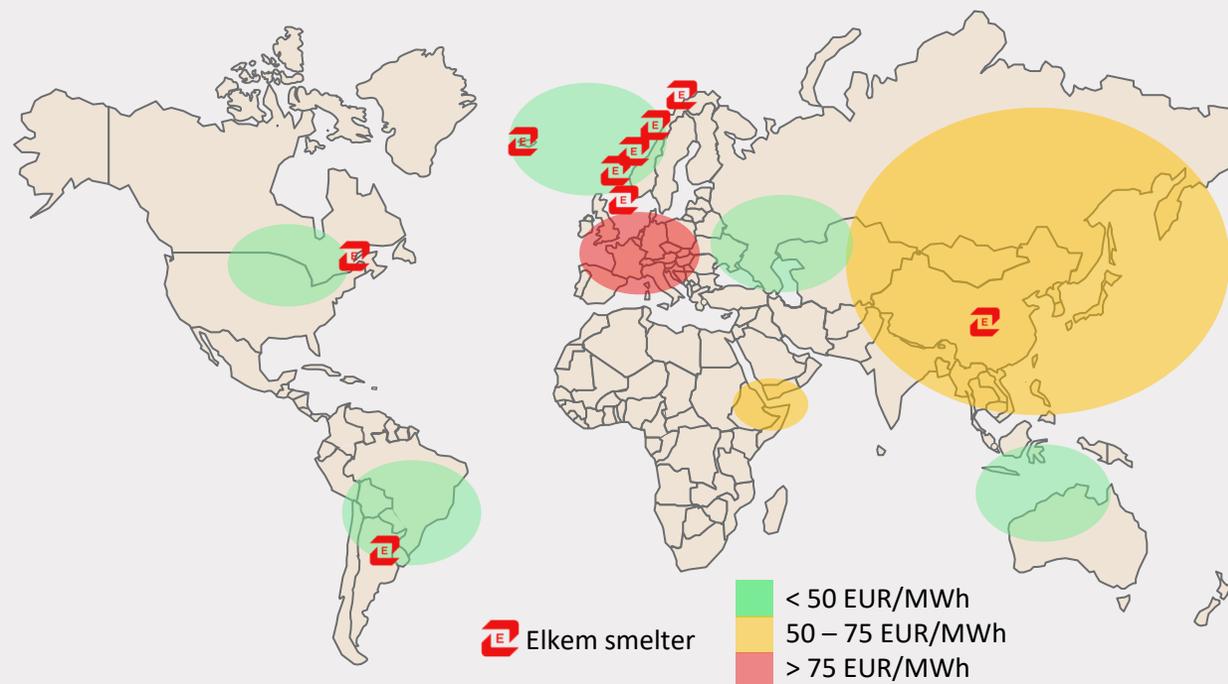
Location of Elkem’s plants in price areas



Competitive advantage with its unique geographic footprint

- European energy prices have come down, but forward prices still at a high level in a historical context
- A majority of the global production takes place in regions with medium to high energy price levels
- Elkem benefits of its unique global footprint and renewable energy exposure

Heat map – estimated power prices



Production volumes for silicon and ferrosilicon in 2022 (% of total)

Regions	Silicon	Ferrosilicon
EU	3,9 %	1,8 %
Norway & Iceland	6,6 %	3,6 %
North America	4,5 %	2,3 %
South America	5,9 %	4,5 %
China	74,5 %	72,5 %
Asia Pacific	3,5 %	5,0 %
Russia & Central Asia	1,0 %	7,9 %
Rest of the world	0,1 %	2,4 %
SUM	100,0 %	100 %

Environmental, Social & Governance

Strong ESG focus and performance



EcoVadis: Gold

Gold score from EcoVadis, rating Elkem among the world's top 3% on sustainability transparency



CDP: Leadership: A-

Awarded double A- scores from CDP for efforts on Climate and Forest and B score on Water security



S&P Global CSA: Top 90 percentile

Elkem is rated in the top 90 percentile in the chemical industry in 2022.



ESG 100: A

Top score for ESG reporting in 2022, in an assessment of top 100 listed companies on the Scandinavian stock exchanges, from Position Green.



Sustainability highlights

Use of renewable electricity in production in 2022

>80%

CO2 emissions by 2050



Net zero

CO2 product footprint reductions by 2031

39%

Sustainability-linked bank facility



EUR 1 000 million

Biocarbon sources in production in 2022

20%

UN SDGs



Committed to develop our business in line with the UN SDGs

Supplying the green transition

European Green Deal implies opportunities for Elkem

- EU's Green Deal Industry Plan & Net Zero Industry Act aims to offer financial incentives for clean technologies – this could drive demand for both silicones and silicon
- EU's Solar Energy Strategy aims to bring online over 320 GW of solar photovoltaic by 2025 and almost 600 GW by 2030
- Target is to ensure investment opportunities, diversify supply chains, and retain more value in Europe to deliver GDP of BEUR 60 per year and creation of more than 400,000 new jobs
- The European Critical Raw Materials Act aims to significantly increase and diversify critical raw materials supply
- Silicon defined as a critical raw material on EU's list
- Silicon also listed as a critical material by U.S. Department of Energy



EU Green Deal:

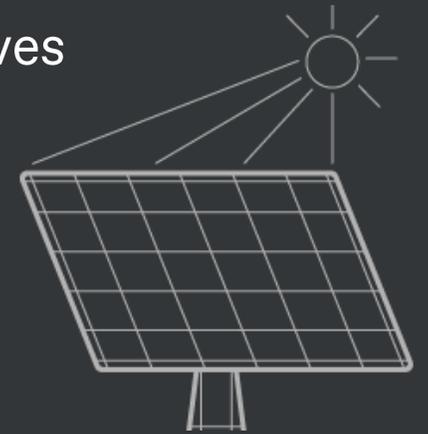
Clean technology incentives

EU Solar energy strategy

600 GW by 2030

EU Critical raw materials act

Silicon metal included



Strong growth prospects for EV and hybrids

- Elkem has a strong positions towards the EV market
- EVs tend to contain about four times more silicones than conventional cars
- In 2022, Elkem Silicones' share of revenue to EV was 5%
- Growth forecast from independent market analysts indicate a continued strong growth potential for EVs

Silicones are critical components EVs:



Power-train sealing



Electronic control units (ECU)

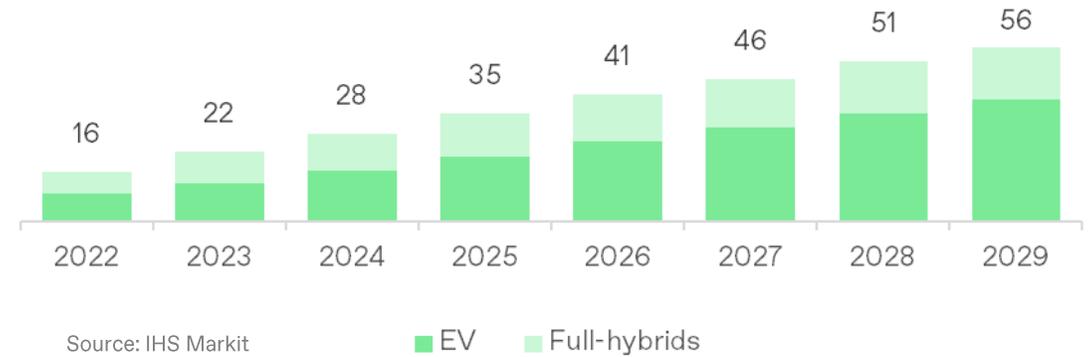


Battery modules & packs



Connectors

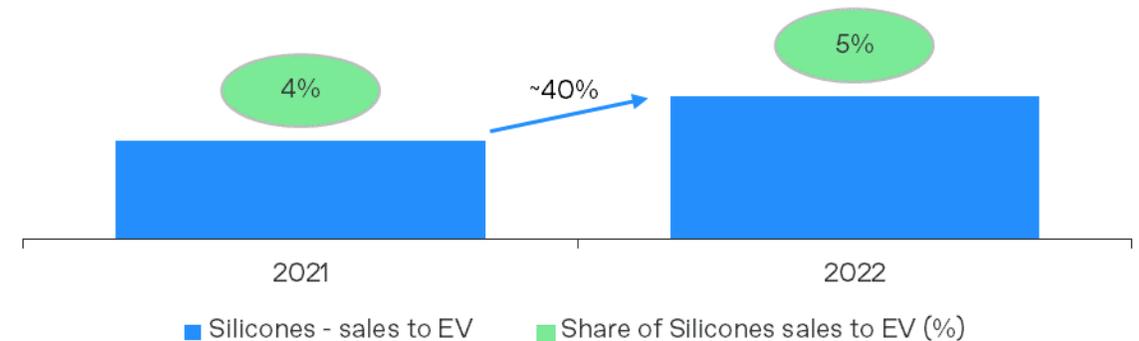
Global EV production forecast, 2023-2029 (in million)



Silicones content per car



Silicones sales to EV market 2022 vs 2021

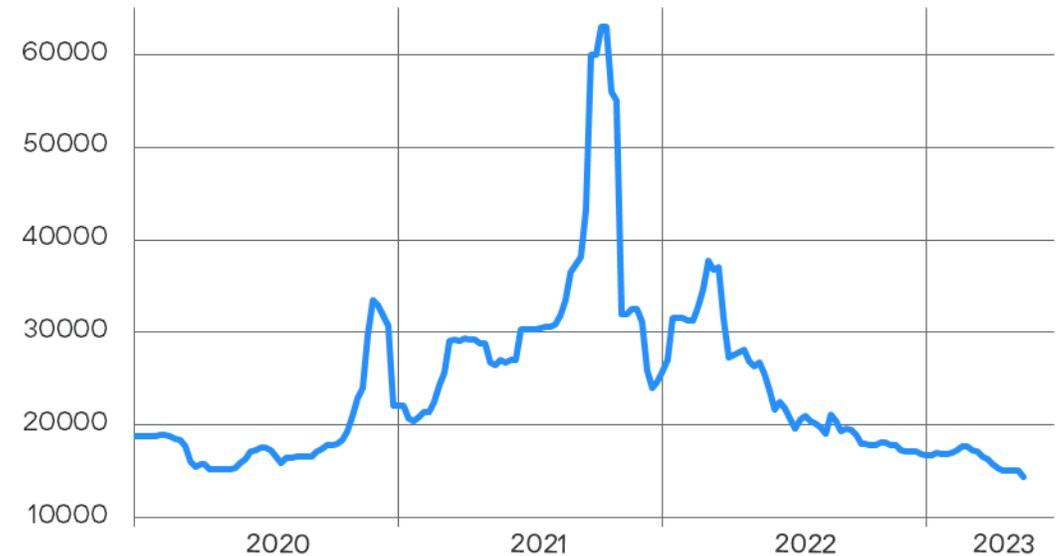


Weak markets - slow demand and Chinese overcapacity

- The market sentiment for silicones products has remained weak in the 1Q-2023 and into 2Q-2023, impacted by weak macro economic sentiment. GDP growth estimates for US and EU being revised down
- Certain speciality grades e.g. EV, healthcare and consumer products holding up quite well
- Challenging market conditions for construction and other commodity grades
- Chinese silicones market seemed to improve after Chinese New Year, but demand increase not sufficient to support a price recovery



DMC reference price China (CNY/mt)

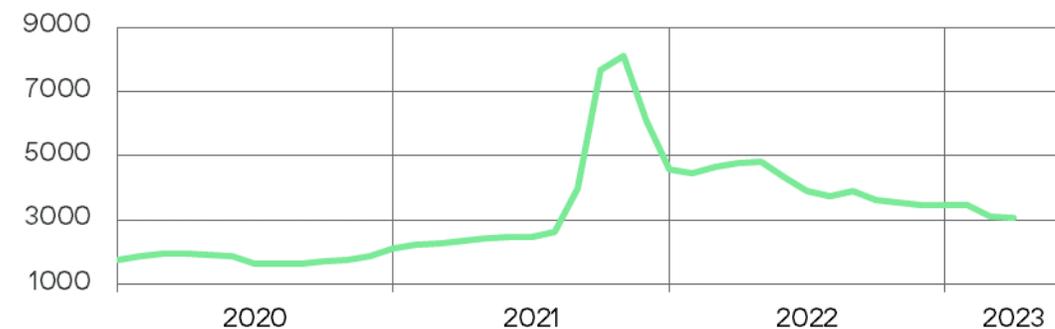


Still good price levels, but slightly decreasing

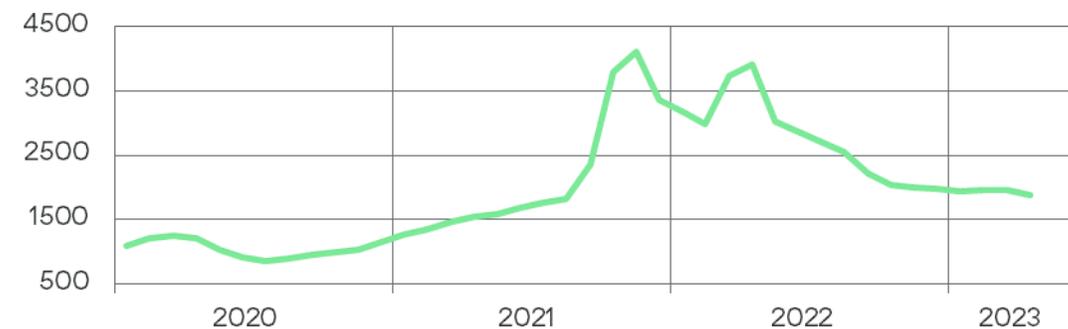
- Slow demand during the latter part of 2022 has carried over into early 2023
- Market prices for silicon and ferrosilicon have decreased slightly but remain at good levels
- Significant production capacity taken out in Europe as current prices are not sufficient to cover marginal cost on raw materials and market prices for power for competitors
- Chinese silicon market increased by approx. 20% in 2022, largely driven by solar, but energy costs remain high



CRU silicon 99 price EU (EUR/mt)



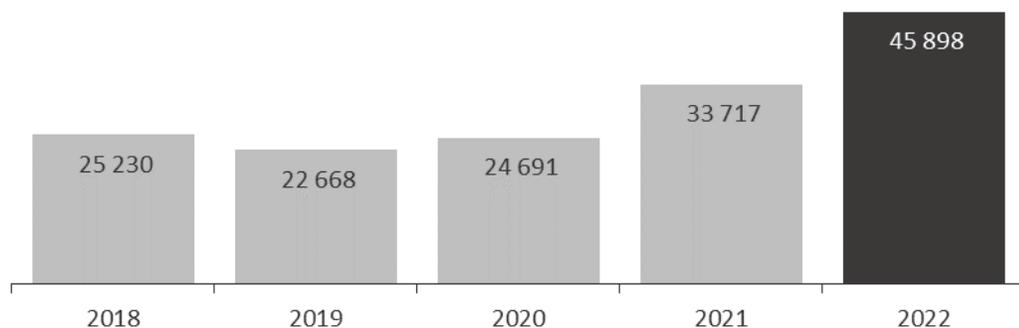
CRU ferrosilicon 75 price EU (EUR/mt)



Record 2022 results achieved

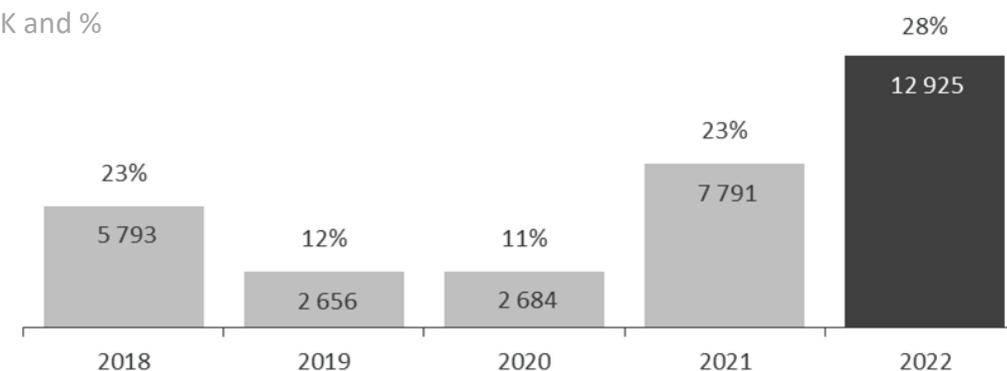
Total operating income

MNOK



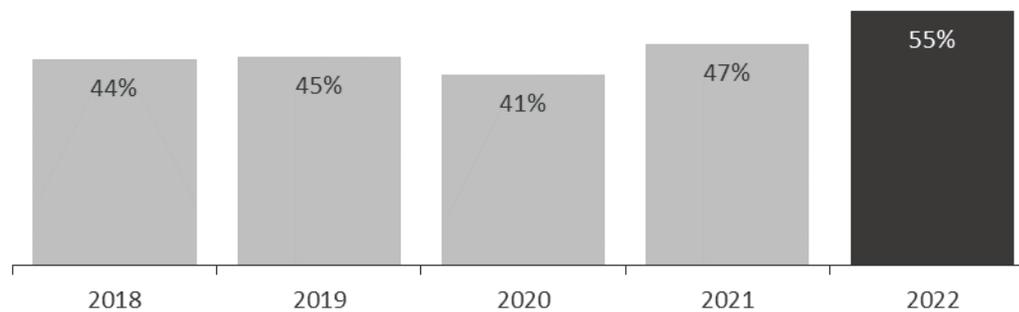
EBITDA and EBITDA margin

MNOK and %



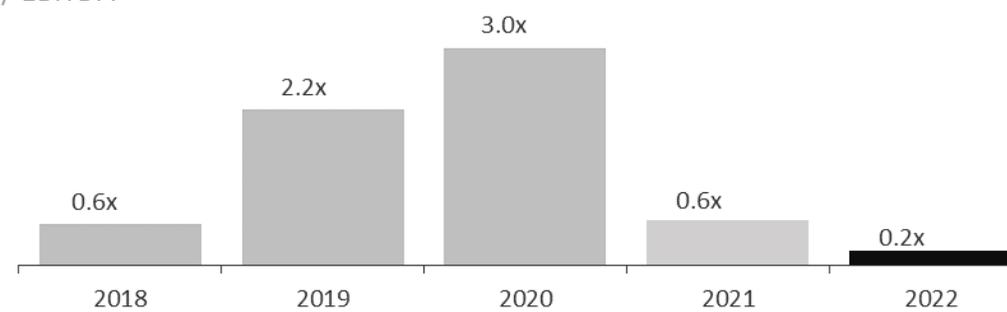
Equity ratio

Equity / Total assets in %



Leverage ratio

NIBD / EBITDA



Good results, but impacted by more challenging markets

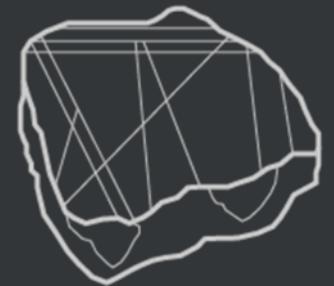
- Elkem delivered an EBITDA of NOK 1,565 million (16% margin) in the first quarter 2023
- Strong results for Silicon Products and Carbon Solutions, based on superior cost and markets positions
- Weak results for the Silicones division due to challenging markets. Actions taken to optimise costs, production and investments
- Given the market situation, Elkem will move forward planned maintenance and temporarily reduce production at Silicon Products' Thamshavn and Rana plants
- In the first quarter, Elkem signed new long-term power agreements for the Salten, Rana and Bremanger plants at competitive terms



Total operating income
MNOK 9,934

EBITDA
MNOK 1,565

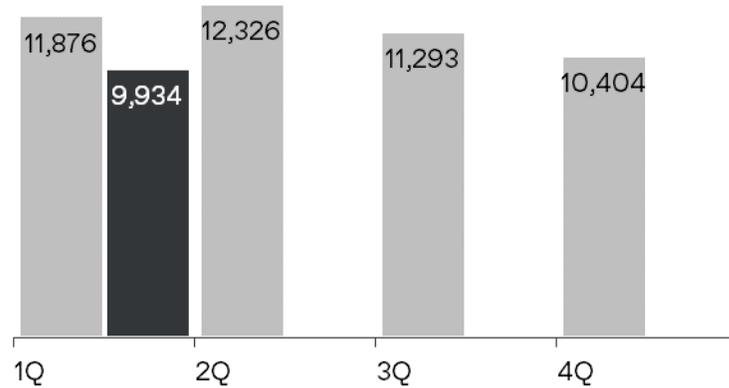
EBITDA margin
16%



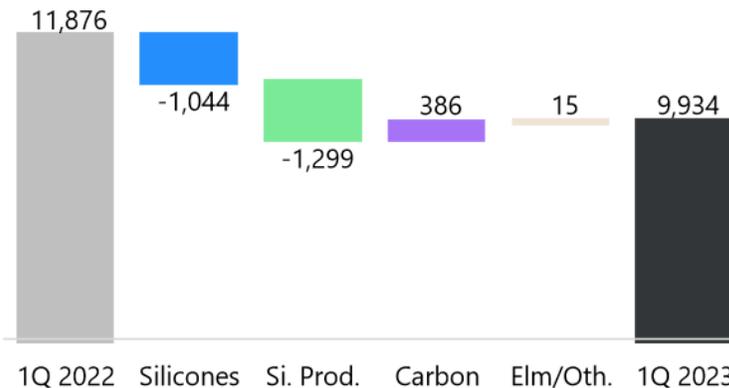
Strong performance by Silicon Products and Carbon Solutions, Silicones impacted by weak markets

Total operating income

- Down from 1Q-2022 due to lower sales prices

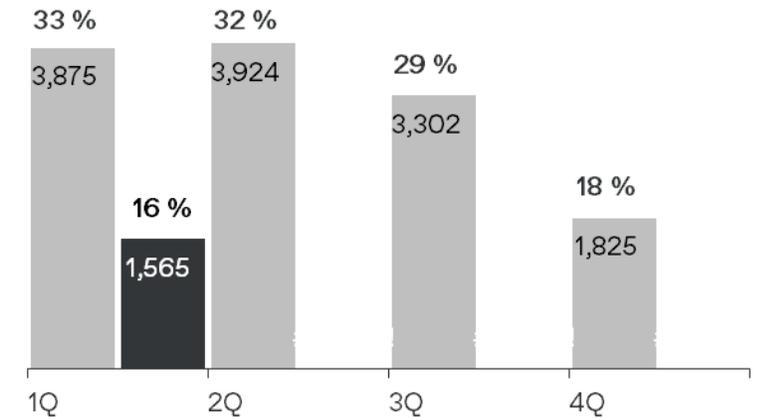


- Silicones and Silicon Products impacted

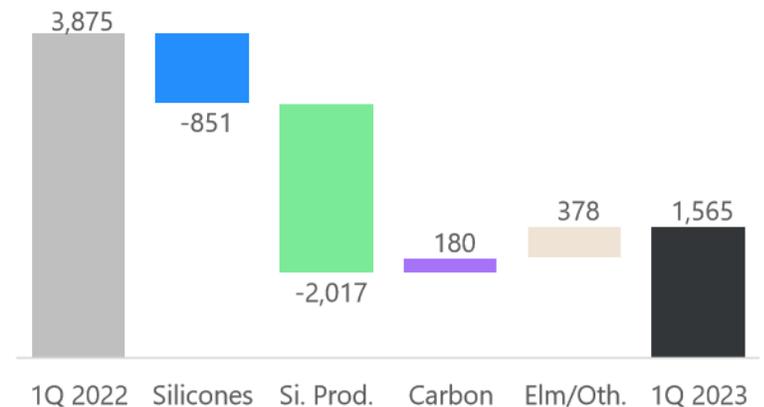


EBITDA

- Down from a historic record level in 1Q-2022



- Explained by lower sales prices for silicones, silicon and ferrosilicon



Overview financial ratios

- EBITDA MNOK 1,565
 - Segment Other included realised currency hedging losses of MNOK -86
- Other items MNOK 553
 - Consisting of gain on power and currency derivatives MNOK 175 and currency gains on working capital items MNOK 377
- Net finance income (expenses) MNOK -109
 - Consist of net interest expenses MNOK -97, currency loss of MNOK -7 and other financial expenses of MNOK -5
- Tax MNOK -403
 - Resulting in a tax rate of 29% for the first quarter 2023
 - Losses that were not capitalised as deferred tax assets resulting in higher effective tax rate

Consolidated key figures

<i>(NOK million, except where specified)</i>	1Q 2023	1Q 2022	YTD 2023	YTD 2022	FY 2022
Total operating income	9,934	11,876	9,934	11,876	45,898
EBITDA	1,565	3,875	1,565	3,875	12,925
EBIT ⁽¹⁾	1,025	3,399	1,025	3,399	10,898
Other items	553	87	553	87	2,151
Net finance income (expenses)	-109	32	-109	32	-161
Profit (loss) before income tax	1,385	3,401	1,385	3,401	12,236
Tax	-403	-732	-403	-732	-2,594
Profit (loss) for the period ⁽²⁾	952	2,658	952	2,658	9,561
Key ratios					
EPS (NOK per share)	1.50	4.20	1.50	4.20	15.09
Equity ratio (%)	53 %	51 %	53 %	51 %	55 %
Net interest bearing debt (NIBD) ⁽³⁾	3,670	3,756	3,670	3,756	2,615
Leverage ratio	0.3	0.4	0.3	0.4	0.2
Reinvestments % of D&A	61 %	54 %	61 %	54 %	84 %
ROCE (annualised) (%)	13 %	53 %	13 %	53 %	41 %

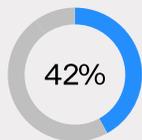
(1) Operating profit before other items and hedge adjustments

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

(3) Excluding non-current restricted deposits and interest-bearing financial assets

Weak market sentiment and Chinese overcapacity

- Total operating income of MNOK 4,190, down 20% from the first quarter last year
 - Mainly explained by lower sales prices, particularly in China due to slow demand and overcapacity
- EBITDA was MNOK -30, clearly down from first quarter last year
 - Mainly explained by lower sales prices
 - Measures being implemented to reduce cost, adjust production and postpone investments
- Slow demand in all regions, but some improvement in China after Chinese New Year. Construction particularly weak



Share of operating income



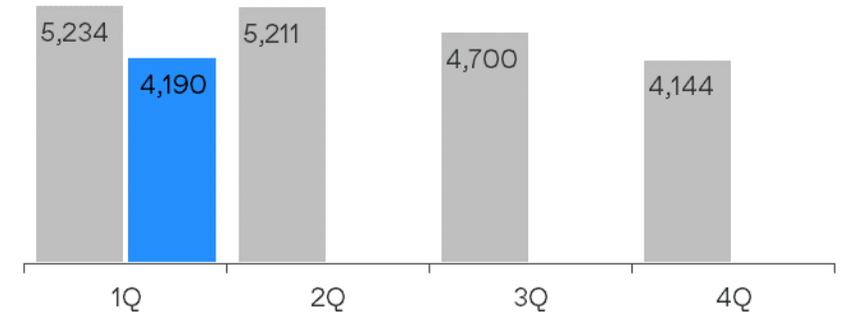
Share of EBITDA

Share of operating income from external customers ex. Other

Share of EBITDA ex. Other and Eliminations

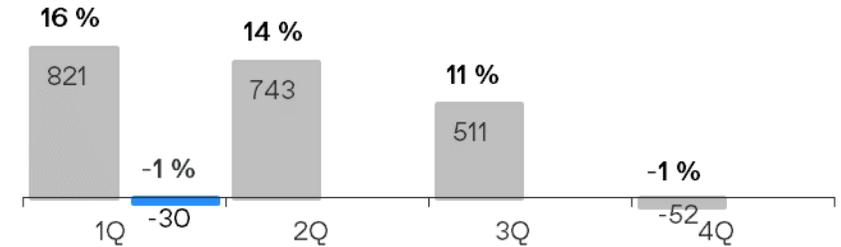
Total operating income

NOK million



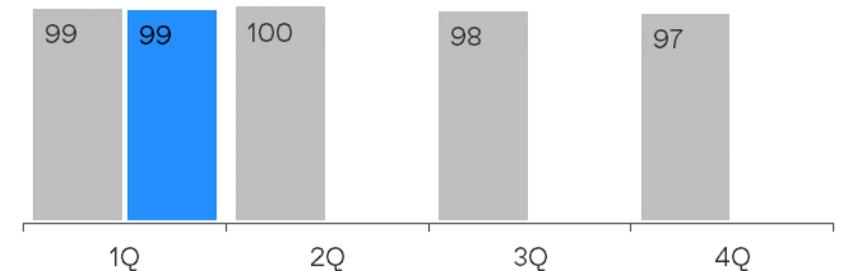
EBITDA and margin

NOK million and %



Sales volume

In 1,000 mt



■ 2022
■ 2023

Continuing to benefit from strong market positions

- Total operating income of MNOK 5,134, down 20% from the first quarter last year
 - Explained by lower sales prices and lower sales volumes, primarily silicon and externally sourced material
- EBITDA of MNOK 1,257, down 62% from a record quarter last year
 - Lower EBITDA explained by lower sales prices and lower volumes
 - Margins still at attractive levels due to strong market positions and also supported by weak NOK
- Sales volumes down due to slow demand and destocking effects
 - Historic volumes restated to include externally sourced material



Share of operating income



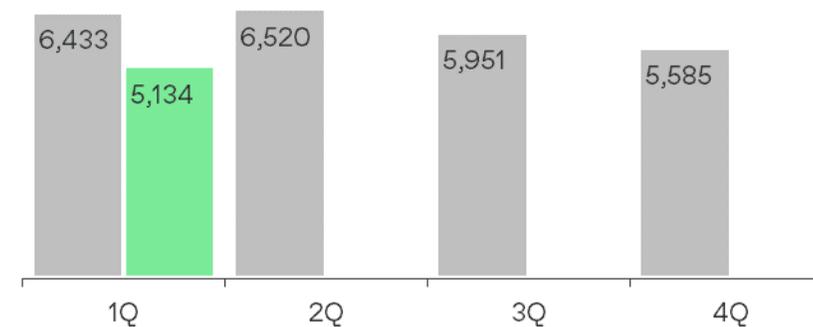
Share of EBITDA

Share of operating income from external customers ex. Other

Share of EBITDA ex. Other and Eliminations

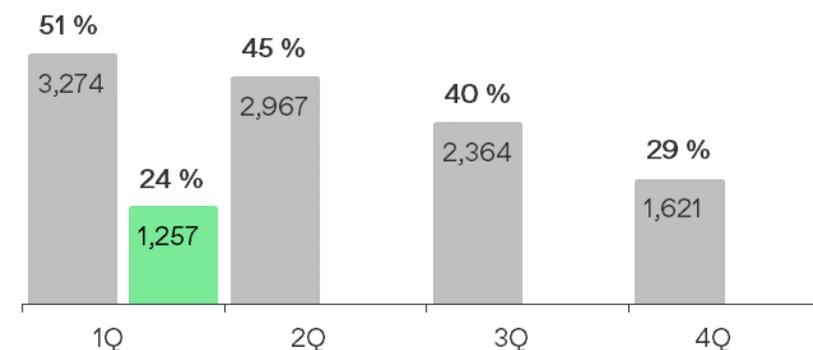
Total operating income

NOK million



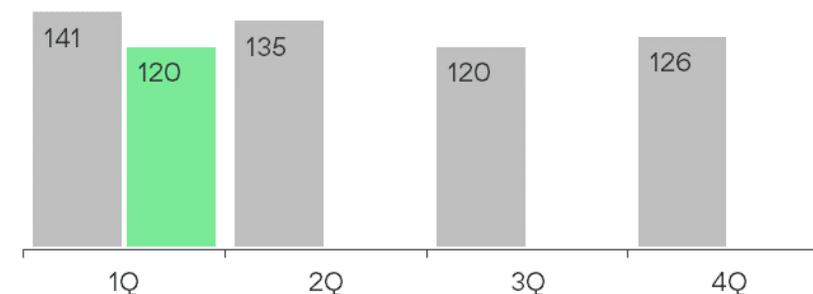
EBITDA and margin

NOK million and %



Sales volume

In 1,000 mt



■ 2022
■ 2023

Yet another strong quarter

- Total operating income MNOK 1,113, up 53% from the first quarter last year
 - All-time high operating income explained by higher sales prices and weak NOK
- EBITDA of MNOK 374, up 93% from first quarter last year
 - Higher EBITDA mainly explained by higher sales prices, partly countered by higher raw material costs
- Sales volumes lower than first quarter last year, due to weaker silicon and ferroalloys market, and weaker aluminium market in EU



Share of operating income



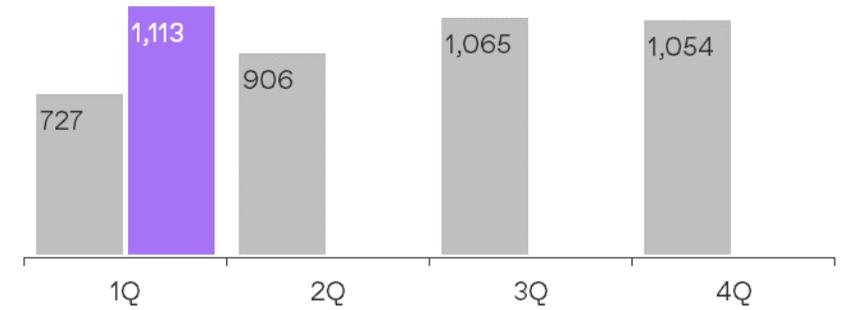
Share of EBITDA

Share of operating income from external customers ex. Other

Share of EBITDA ex. Other and Eliminations

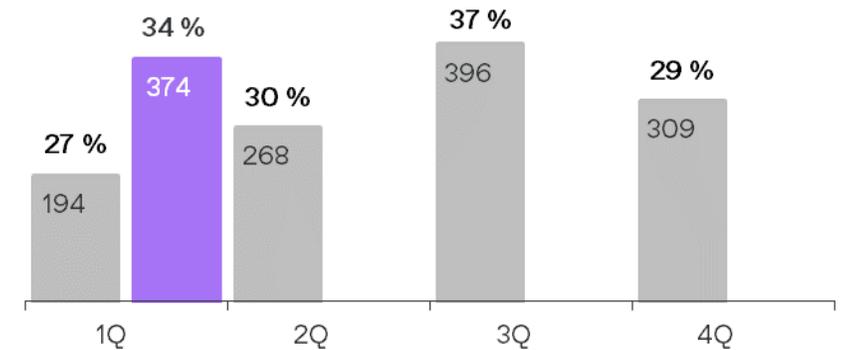
Total operating income

NOK million



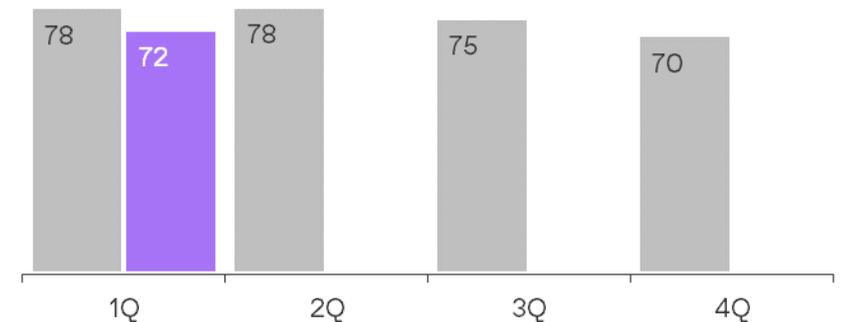
EBITDA and margin

NOK million and %



Sales volume

In 1,000 mt



■ 2022

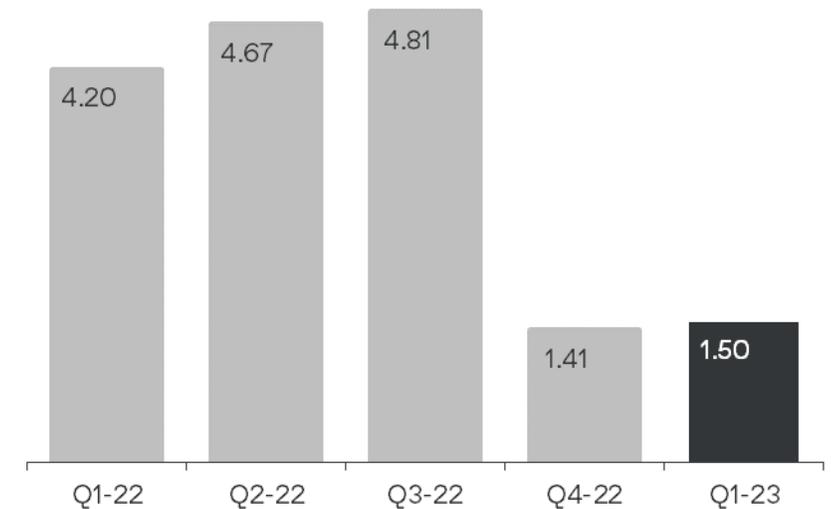
■ 2023

Solid equity position

- Earnings per share (EPS) amounted to NOK 1.50 in the first quarter
- Total equity amounted to BNOK 29.9 as at 31 March 2023, up BNOK 1.1 from year-end 2022
 - Equity to total assets (equity ratio) of 53%, slightly down following higher assets values and weak NOK
 - Adjusted for proposed dividend for 2022 the equity would be BNOK 26.0 giving an equity ratio of 49%

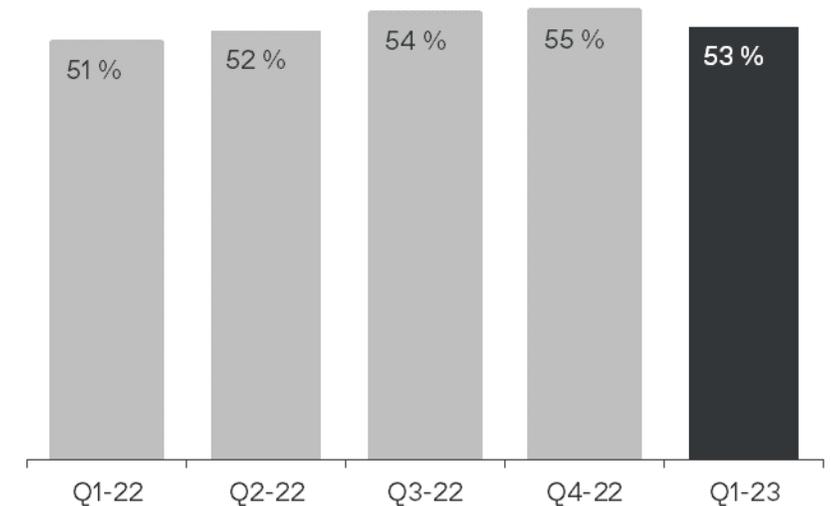
Earnings per share (EPS)

NOK per share



Equity ratio

In percent of total assets



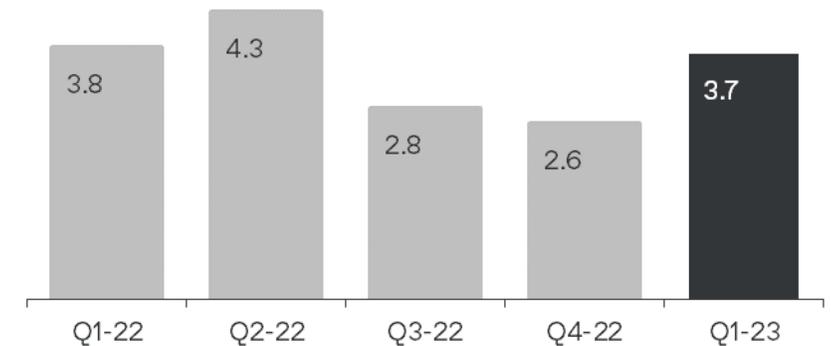
Strong financing position

- Net interest-bearing debt (NIBD) of BNOK 3.7 as at 31 March 2023
 - Leverage ratio of 0.3x based on LTM EBITDA of BNOK 10.6
 - Adjusted for proposed dividend for 2022 the leverage ratio would be 0.7x

- Strong financing position
 - Well managed and distributed debt maturity profile
 - Debt maturities in 2023 in China consist of local working capital financing, which are regularly rolled over

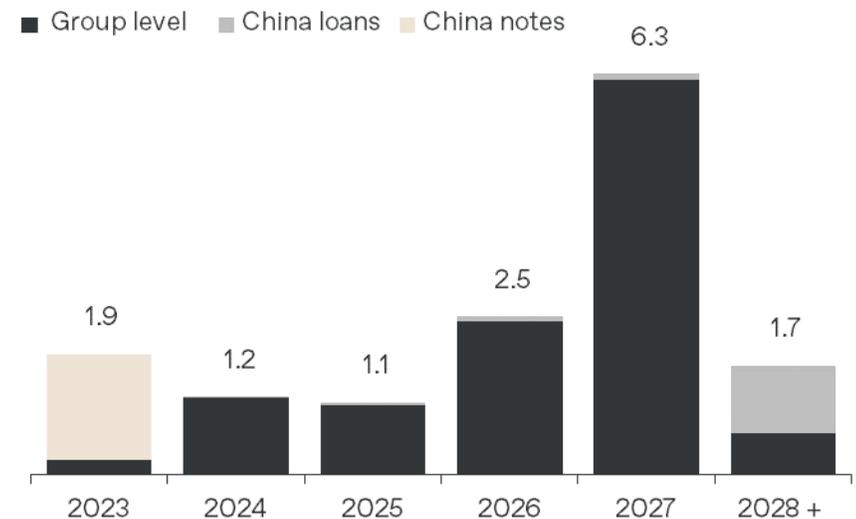
Net interest-bearing debt (NIBD)

NOK billion



Maturity profile

NOK billion



Good cash flow generation, increased investments

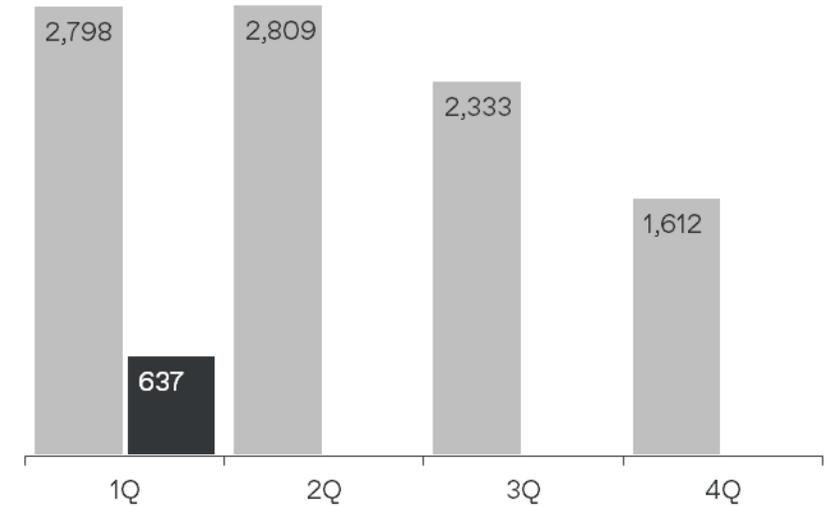
- Cash flow from operations⁽¹⁾ was MNOK 637 in the first quarter 2023
 - Lower cash flow compared to corresponding quarter last year was mainly due to lower EBIT

- Investments ex. M&A of MNOK 1,091 in the first quarter 2023
 - Reinvestments were MNOK 330 in first quarter, amounting to 61% of D&A. Target is 80-90% of D&A.
 - Strategic investments were MNOK 761 in the quarter, mainly related to Silicones projects in France and China

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

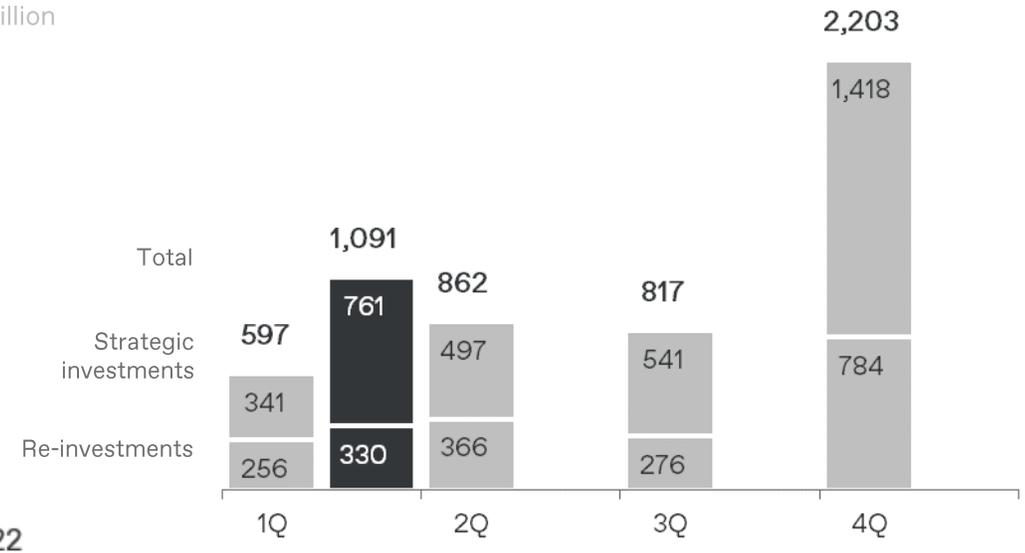
Cash flow from operations

NOK million



Investments ex. M&A

NOK million



■ 2022

■ 2023

Summary & why invest in Elkem

- Leading global player within advanced silicon-based materials
- Exposure to regions and end markets with strong growth prospects
- Leading cost positions
- Strong financial position with solid equity and low leverage
- Predictable and competitive dividend policy providing value creation for shareholders



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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Delivering your potential