



**Century**ALUMINUM

4<sup>th</sup> Quarter Earnings Call  
February 23, 2017

# Cautionary Statement

This presentation and comments made by Century Aluminum management on the quarterly conference call contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are statements about future events and are based on our current expectations. These forward-looking statements may be identified by the words "believe," "expect," "hope," "target," "anticipate," "intend," "plan," "seek," "estimate," "potential," "project," "scheduled," "forecast" or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could," "might," or "may." Our forward-looking statements include, without limitation, statements with respect to: future global and local financial and economic conditions; our assessment of the aluminum market and aluminum prices (including premiums); the potential outcome or occurrence of any trade claims to address excess capacity or unfair trade practices, our assessment of the ultimate outcome of our outstanding litigation, our assessment of power pricing and our ability to successfully obtain and/or implement long-term competitive power arrangements for our operations and projects; the future operation or potential curtailment of our plants and other facilities; the future financial and operating performance of the Company, its subsidiaries and its projects; future earnings, operating results and liquidity; future inventory, production, sales, cash costs and capital expenditures; future impairment charges or restructuring costs, our business objectives, strategies and initiatives, including our ability to achieve productivity improvements or cost reductions; our plans and expectations with respect to the sale or other disposition of our 40% interest in BHH; our ability to access existing or future financing arrangements; our ability to successfully manage transmission issues and market power price risk and to control or reduce power costs; our ability to successfully produce value-added products at our smelters; future construction investment and development, including our discussions regarding securing sufficient amounts of power, future capital expenditures, the costs of completion or cancellation, timing, production capacity and sources of funding; and our ability to derive benefit from acquisitions and to successfully integrate these operations with the rest of our business.

Where we express an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from future results expressed, projected or implied by those forward-looking statements. Important factors that could cause actual results and events to differ from those described in such forward-looking statements can be found in the risk factors and forward-looking statements cautionary language contained in our Annual Report on Form 10-K, quarterly reports on Form 10-Q and in other filings made with the Securities and Exchange Commission. Although we have attempted to identify those material factors that could cause actual results or events to differ from those described in such forward-looking statements, there may be other factors that could cause results or events to differ from those anticipated, estimated or intended. Many of these factors are beyond our ability to control or predict. Given these uncertainties, the reader is cautioned not to place undue reliance on our forward-looking statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

In addition, throughout this conference call, we will use non-GAAP financial measures. Reconciliations to the most comparable GAAP financial measures can be found in the Appendix of today's presentation and on our website at [www.centuryaluminum.com](http://www.centuryaluminum.com).

# Speakers

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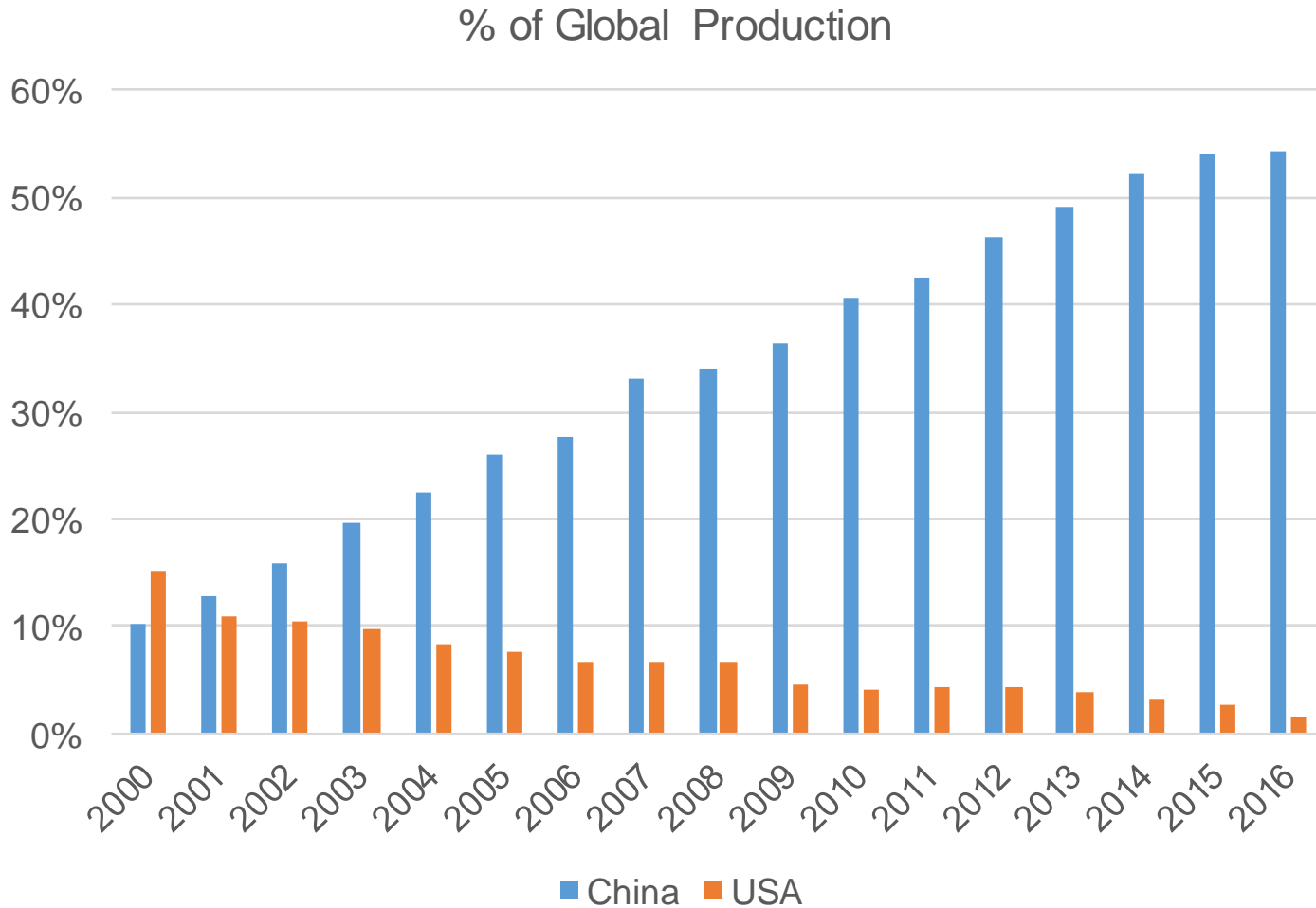
- Mike Bless, President and Chief Executive Officer
- Erich Squire, Senior Vice President, Finance
- Shelly Harrison, Senior Vice President, Finance and Treasurer
- Peter Trpkovski, Investor Relations Manager

# Overview

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- All operations stable
- Financial results favorable and in line with expectations
- Progress on free trade case
- Disposition of Ravenswood/retiree medical settlement
- Helguvik asset impairment
- South Carolina antitrust lawsuit

# Global Production



# Q4 vs. Q3 Operations

	<u>Hawesville</u>	<u>Sebree</u>	<u>Mt. Holly</u>	<u>Grundartangi</u>
<b>Safety</b>		Flat		
<b>Production<sup>(1)</sup></b>	-1%	4%	0%	2%
<b>KPIs</b>	Flat		Flat	
<b>Conversion cost<sup>(2)</sup></b>	-1%	-17%	-6%	-1%

**Notes**

- (1) Production on a tonnes per day basis
- (2) Excludes alumina and casting

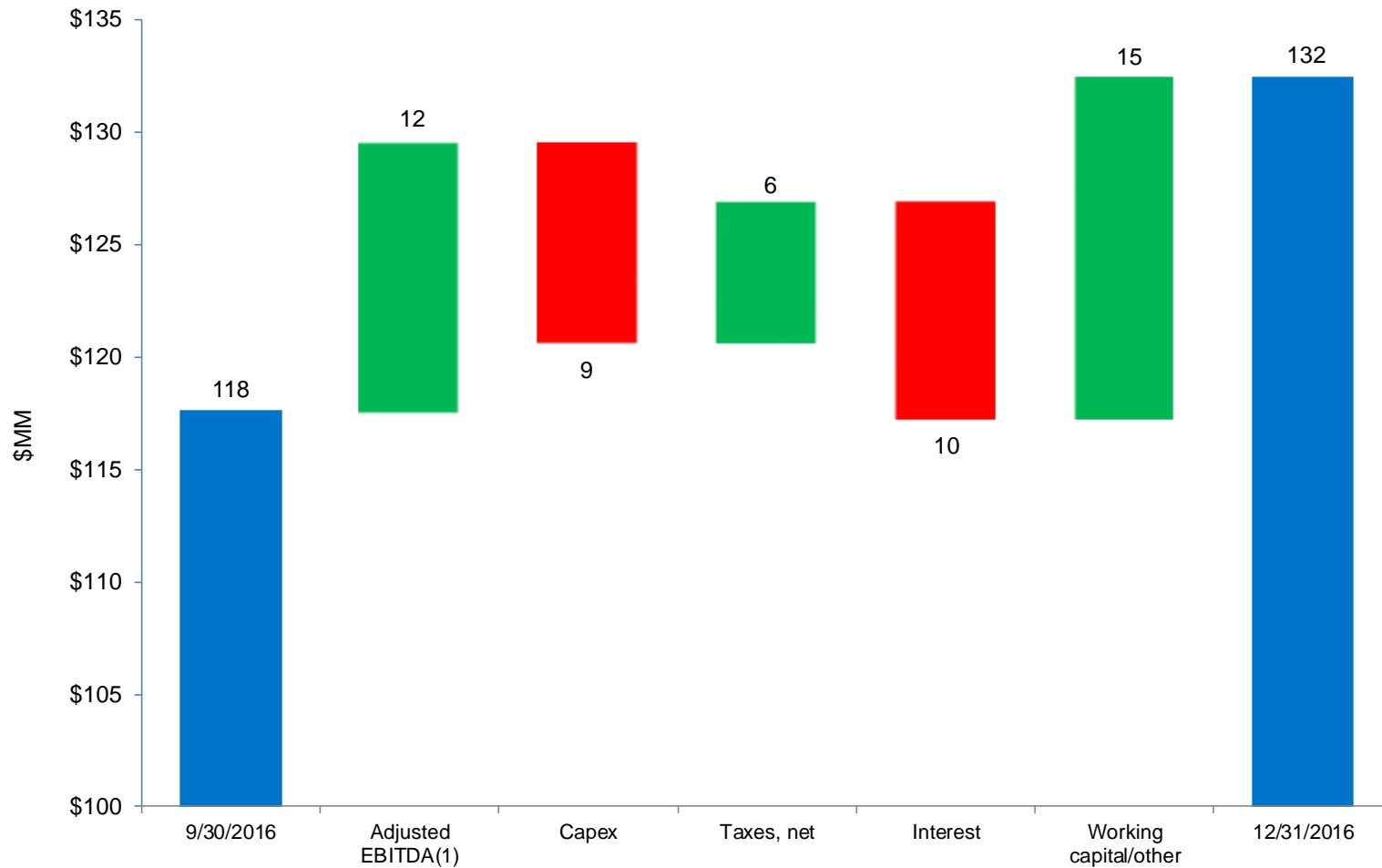
# Q4 2016 Summary Results

(\$MM, except per share and tonne amounts)	Q316	Q416
<b>Income statement</b>		
Shipments (tonnes)	182,429	183,210
Net sales	\$ 334	\$ 340
Adjusted EBITDA <sup>(1)</sup>	(5)	12
Adjusted net loss <sup>(1)</sup>	(29)	(12)
Adjusted EPS <sup>(1)</sup>	\$ (0.31)	\$ (0.12)
<b>Liquidity</b>		
Cash	\$ 118	\$ 132
Revolver availability	<u>90</u>	<u>100</u>
Total	<u>\$ 208</u>	<u>\$ 233</u>
Total debt <sup>(2)</sup>	\$ 258	\$ 258
Net debt	140	125

**Notes**

- (1) See reconciliation to comparable GAAP financial measure in appendix  
(2) Principal amount

# Q4 2016 Cash Flow



**Note**

(1) See reconciliation to comparable GAAP financial measure in appendix



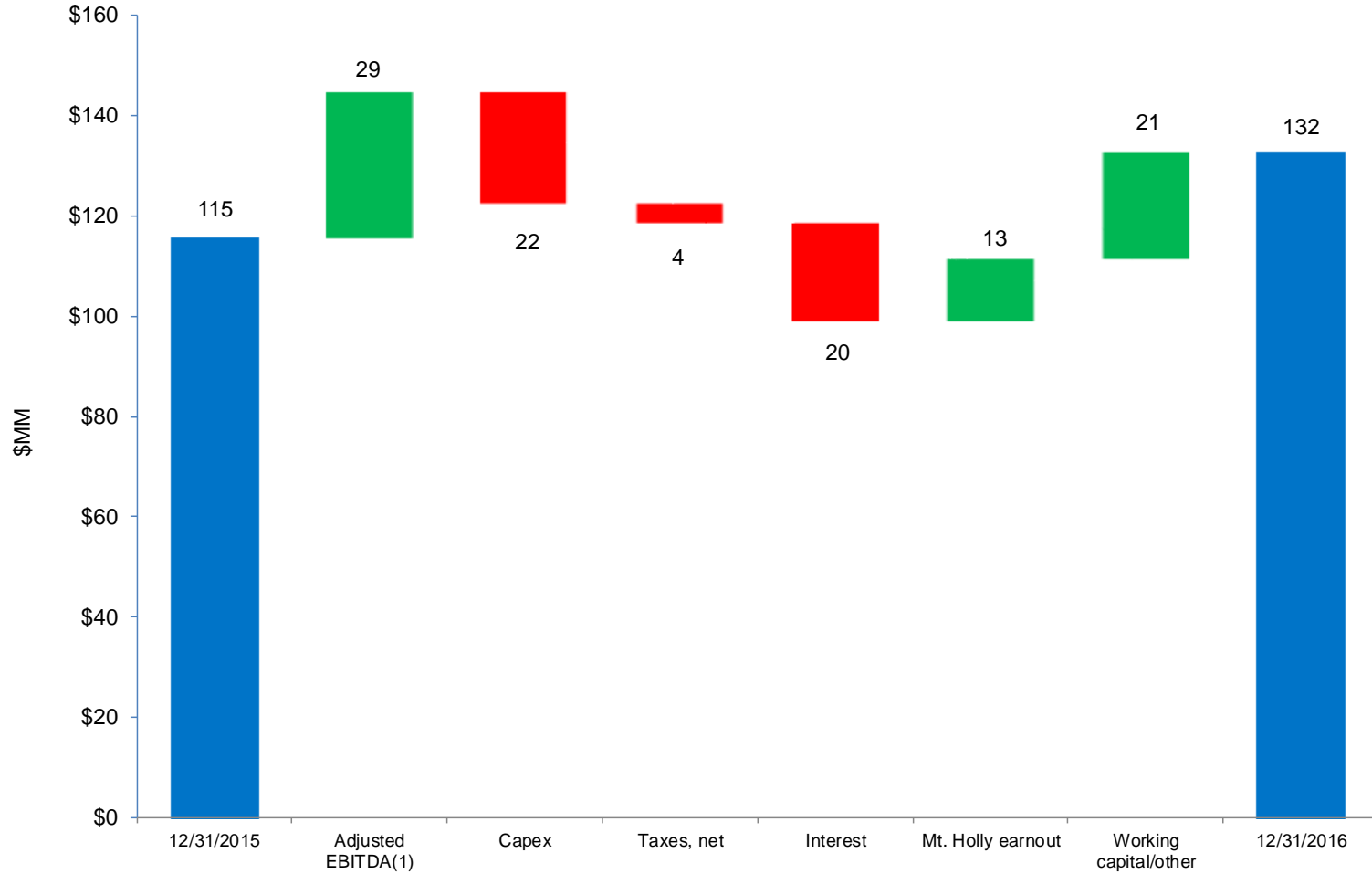
# FY 2016 Summary Results

(\$MM, except per share and tonne amounts)	2015	2016
<b>Income statement</b>		
Shipments (tonnes)	921,958	733,825
Net sales	\$ 1,950	\$ 1,319
Adjusted EBITDA <sup>(1)</sup>	100	29
Adjusted net income (loss) <sup>(1)</sup>	(2)	(67)
Adjusted EPS <sup>(1)</sup>	\$ (0.02)	\$ (0.71)
<b>Liquidity</b>		
Cash	\$ 115	\$ 132
Revolver availability	<u>85</u>	<u>100</u>
Total	<u>\$ 200</u>	<u>\$ 233</u>
Total debt <sup>(2)</sup>	\$ 258	\$ 258
Net debt	142	125

**Notes**

- (1) See reconciliation to comparable GAAP financial measure in appendix  
(2) Principal amount

# FY 2016 Cash Flow



**Note**

(1) See reconciliation to comparable GAAP financial measure in appendix

# 2017 Items

<b>Shipments</b>	<b>Hawesville</b> - ~95K tonnes <b>Sebree</b> - ~215K tonnes <b>Mt. Holly</b> - ~115K tonnes <b>Iceland</b> - ~315K tonnes
<b>Pricing<sup>(1)</sup></b>	<b>U.S. Standard</b> - Midwest Transaction with ~2 month lag; less freight <b>Iceland Standard</b> - LME plus European Duty Paid premium with 2 month lag; less freight <b>Value Added Products</b> - ~\$180/T over LME plus regional premium on average over all premium tonnes
<b>Power</b>	<b>Hawesville</b> - Market based power (Indiana Hub) <b>Sebree</b> - Market based power (Indiana Hub) <b>Mt. Holly</b> - Natural gas price dependent (Henry Hub) <b>Iceland</b> - % LME; price LME dependent
<b>Alumina</b>	Index price with 1 month lag
<b>Plant cash costs<sup>(2)</sup></b>	<b>U.S.</b> \$1,975 - \$2,025/T <b>Iceland</b> \$1,580 - \$1,630/T
<b>Net plant cash costs<sup>(2)(3)</sup></b> (Direct comparative to LME)	<b>U.S.</b> \$1,655 - \$1,705/T <b>Iceland</b> \$1,430 - 1,480/T

## Notes

- (1) Assumes 270K of value add premium tonnes, of which 215K tonnes in the US and 55K tonnes in Iceland
- (2) Assumes Indiana Hub price of ~\$32/MWh plus \$6-7MWh for delivery and other costs on average for Hawesville and Sebree; assumes Henry Hub natural gas price of ~\$3.23/MMBtu for Mt. Holly; assumes \$300/T alumina index price for all operations
- (3) Net of all premiums. Direct comparative to LME. Assumes \$220/T for Midwest premium and \$140/T for European duty paid premium. Excludes interest, capex and corporate SG&A. See reconciliation in appendix.

# 2017 Items (cont.)

<b>Ravenswood proceeds</b>	<b>Cash</b> - ~\$15MM
<b>SG&amp;A</b>	<b>Book</b> - ~\$39MM <b>Cash</b> - ~\$35MM
<b>Interest, net</b>	<b>Book</b> - ~\$21MM <b>Cash</b> - ~\$20MM
<b>Pension contributions</b>	< \$3MM
<b>Capex</b>	<b>Maintenance</b> - ~\$10MM <b>Investment</b> - \$15-20MM
<b>Depreciation</b>	~\$85MM
<b>Income tax</b>	<b>U.S.</b> - book/cash < \$1MM <b>Iceland</b> - book - 20%; ~\$5MM cash income tax payment
<b>Cash flow break-even<sup>(1)</sup></b>	~\$1,665/T

**Note**

(1) Consolidated cash flow break-even is direct LME comparative, net of all premiums and based on market forward prices (regional premiums and U.S. power prices) as noted on page 11. This includes maintenance capex, SG&A, interest, taxes and other corporate cash outflows. Excludes investment capex and Ravenswood proceeds.

# Appendix

## Non-GAAP Financial Measures

Adjusted EBITDA, adjusted net income (loss) and adjusted earnings (loss) per share are non-GAAP financial measures that management uses to evaluate Century's financial performance. These non-GAAP financial measures facilitate comparisons of this period's results with prior periods on a consistent basis by excluding items that management does not believe are indicative of Century's ongoing operating performance and ability to generate cash. Management believes these non-GAAP financial measures enhance an overall understanding of Century's performance and our investors' ability to review Century's business from the same perspective as management.

The following slides provide a reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP. In addition, because not all companies use identical calculations, adjusted EBITDA, adjusted net income (loss) and adjusted earnings (loss) per share included in the following slides may not be comparable to similarly titled measures of other companies. Investors are encouraged to review the reconciliation in conjunction with the presentation of these non-GAAP financial measures.

# Adjusted Net Income (loss) GAAP Reconciliation

	Q316		Q416	
	\$MM	EPS	\$MM	EPS
<b>Net loss as reported</b>	<b>\$ (58.3)</b>	<b>\$ (0.67)</b>	<b>\$(168.5)</b>	<b>\$ (1.93)</b>
Ravenswood closure	26.8	0.31	-	-
Helguvik impairment	-	-	152.2	1.75
LCM inventory adjustment	2.4	0.03	(2.1)	(0.02)
Discrete tax items	-	-	6.9	0.08
Impact of preferred shares	-	0.02	-	-
<b>Adjusted net loss</b>	<b><u>\$ (29.1)</u></b>	<b><u>\$ (0.31)</u></b>	<b><u>\$(11.5)</u></b>	<b><u>\$ (0.12)</u></b>

# Adjusted FY Net Income (loss) GAAP Reconciliation

	2015		2016	
	\$MM	EPS	\$MM	EPS
<b>Net loss as reported</b>	<b>\$ (59.3)</b>	<b>\$ (0.68)</b>	<b>\$(252.4)</b>	<b>\$ (2.90)</b>
Ravenswood closure	31.2	0.33	26.8	0.31
Hawesville labor disruption	13.1	0.14	-	-
Partial curtailment of operations	7.6	0.08	-	-
Mt. Holly purchase accounting	(12.6)	(0.13)	-	-
BHH impairment	11.6	0.12	-	-
Signing bonus Iceland new labor agreement	1.6	0.02	-	-
Separation of former senior executives	1.0	0.01	-	-
Non-cash/non-recurring post-retirement benefits	(3.4)	(0.04)	-	-
LCM inventory adjustment	7.5	0.08	(0.7)	(0.01)
Helguvik impairment	-	-	152.2	1.75
Discrete tax items	-	-	6.9	0.08
Impact of preferred shares	-	0.05	-	0.06
<b>Adjusted net loss</b>	<b><u>\$ (1.6)</u></b>	<b><u>\$ (0.02)</u></b>	<b><u>\$(67.1)</u></b>	<b><u>\$ (0.71)</u></b>

# Adjusted EBITDA GAAP Reconciliation

(\$MM)	Q316	Q416
<b>Net loss</b>	<b>\$ (58.3)</b>	<b>\$ (168.5)</b>
Interest expense	5.5	5.7
Interest income	(0.2)	(0.3)
Net gain on forward & delivery contracts	(1.3)	(0.5)
Other expense - net	0.2	(1.8)
Income tax	(0.8)	6.1
Equity in earnings of joint ventures	(0.2)	(0.4)
<b>Operating loss</b>	<b>\$ (55.1)</b>	<b>\$ (159.6)</b>
Ravenswood closure	26.8	-
Helguvik impairment	-	152.2
LCM inventory adjustments	2.4	(2.1)
Depreciation and amortization	20.8	21.5
<b>Adjusted EBITDA</b>	<b>\$ (5.1)</b>	<b>\$ 11.9</b>



# Adjusted FY EBITDA GAAP Reconciliation

(\$MM)	2015	2016
<b>Net loss</b>	<b>\$ (59.3)</b>	<b>\$ (252.4)</b>
Interest expense	22.0	22.2
Interest income	(0.3)	(0.8)
Net gain on forward & delivery contracts	(1.6)	(3.5)
Unrealized gain on fair value of contingent consideration	(18.3)	-
Other expense - net	0.4	(1.3)
Income tax	9.3	2.8
BHH impairment	11.6	-
Equity in earnings of joint ventures	(2.7)	(1.3)
<b>Operating loss</b>	<b>\$ (39.1)</b>	<b>\$ (234.2)</b>
Ravenswood closure	31.2	26.8
Separation of former senior executives	1.0	-
Hawesville labor disruption	13.1	-
Helguvik impairment	-	152.2
Partial curtailment of operations	7.6	-
Non-cash/non-recurring post-retirement benefits	(3.4)	-
Signing bonus - new Iceland labor agreement	1.6	-
LCM inventory adjustments	7.5	(0.7)
Depreciation and amortization	80.1	84.8
<b>Adjusted EBITDA</b>	<b>\$ 99.7</b>	<b>\$ 29.0</b>

# 2017 Sensitivities

(\$MM)	Variance	Annual EBITDA
LME <sup>(1)</sup>	+/- \$100/T	\$ 62
MWP <sup>(2)</sup>	+/- \$0.01/lb	\$ 9
EDPP <sup>(3)</sup>	+/- \$22.04/T	\$ 7
MISO Indiana Hub <sup>(4)</sup>	+/- \$1/MWh	\$ 5
NYMEX Henry Hub Nat Gas <sup>(5)</sup>	+/- \$0.10/MMBtu	\$ 1
Alumina Index Price	+/- \$10/T	\$ 14

## Notes

- (1) Includes LME Hedges in place as of February 23, 2017. Unhedged amount is \$69MM per movement of +/- \$100/T
- (2) Midwest Premium for all U.S. operations
- (3) European Duty Paid Premium for Grundartangi operations
- (4) Power market for Hawesville and Sebree operations
- (5) Power market for Mt. Holly operations

# Reconciliation to 2017 Net Plant Cash Costs

(\$/T)	US		Iceland	
<b>Plant operating cash costs (\$/T)</b>	\$ 1,975	\$ 2,025	\$ 1,580	\$ 1,630
Regional premium	(220)	(220)	(140)	(140)
Value-added product premium, net <sup>(1)</sup>	<u>(100)</u>	<u>(100)</u>	<u>(10)</u>	<u>(10)</u>
<b>Net plant operating cash costs (\$/T)</b>	<u>\$ 1,655</u>	<u>\$ 1,705</u>	<u>\$ 1,430</u>	<u>\$ 1,480</u>

LME Direct Comparative

**Note**

(1) Net of scrap sales and freight out

# For Additional Information

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