

## Century ALUMINUM

### Century Aluminum Company Reports Second Quarter 2021 Results

Chicago, August 4, 2021 (GLOBE NEWSWIRE) -- Century Aluminum Company (NASDAQ: CENX) today announced its second quarter 2021 results.

#### Business Highlights

- Realized LME aluminum price of \$2,155/T in second quarter is up \$215/T from prior quarter
- Realized regional premiums of \$490/T and \$175/T for U.S. Midwest and EU Duty Paid, respectively. These were up \$160/T and \$35/T from prior quarter
- Refinanced Senior Notes extending maturity to 2028 and added Convertible Notes also due 2028
- Signed three-year Iceland power contract extension, securing 100% renewable energy for Grundartangi through 2026 and providing for future growth opportunities in value-added products

#### Second Quarter 2021 Financial Results

	<b><u>\$MM (except shipments and per share data)</u></b>	
	<b><u>Q1 2021</u></b>	<b><u>Q2 2021</u></b>
Shipments (tonnes)	195,697	190,894
Net sales	\$ 444.0	\$ 528.0
Net income (loss)	\$ (140.0)	\$ (35.1)
Diluted earnings (loss) per share	\$ (1.55)	\$ (0.39)
Adjusted net income (loss) <sup>(1)</sup>	\$ (52.5)	\$ (27.3)
Adjusted earnings (loss) per share <sup>(1)</sup>	\$ (0.54)	\$ (0.27)
Adjusted EBITDA <sup>(1)</sup>	\$ (19.7)	\$ 34.4

#### Notes:

<sup>(1)</sup> Non-GAAP measure; see reconciliation of GAAP to non-GAAP financial measures

Shipments of primary aluminum for the quarter ended June 30, 2021 decreased 2 percent sequentially, largely due to supply chain disruptions that delayed the pace of restart activities at Mt. Holly. Net sales for the second quarter of 2021 increased by 19 percent sequentially due to higher aluminum prices and increased regional premiums.

Century reported a net loss of \$(35.1) million for the second quarter of 2021, a \$104.9 million improvement sequentially. Second quarter results were negatively impacted by \$7.8 million of net exceptional items, in particular \$32.9 million of unrealized losses on derivative instruments and losses of \$24.7 million related to the extinguishment of our senior notes, offset by \$49.8 million of tax benefit due to a discrete item within the second quarter. Thus, Century reported an adjusted net loss of \$(27.3) million for the second quarter of 2021, a \$25.2 million improvement sequentially.

Adjusted EBITDA for the second quarter of 2021 was \$34.4 million, an increase of \$54.1 million from the prior quarter primarily driven by higher prices of primary aluminum and increased regional premiums.

Century's liquidity position at quarter end was \$108.6 million. Quarterly cash flow was impacted by increased capital spend on the Mt. Holly restart project, and changes in working capital.

“Global aluminum markets have continued to strengthen, driven by strong consumer spending and industrial expansion,” commented President and Chief Executive Officer Jesse Gary. “This has been especially true in the U.S. and Europe, where we have

seen inventories already return to pre-pandemic levels and demand for value-added products, including low-carbon products, near all-time highs.

“In this environment, we remain focused on bringing additional production online through our previously announced expansion project at Mt. Holly and a return to targeted production levels at Hawesville. We continue to expect that both of these projects will be completed by year end, which will provide much needed additional units to the marketplace and provide additional LME and regional premium pricing exposure.

“In Iceland, we were very pleased to reach a power contract extension with Landsvirkjun, and now have secured all of our power requirements for the smelter with 100% renewable energy through 2026. Importantly, this extension will also increase the power to be provided under the contract by over 20 MW, which will allow the smelter to continue to operate at peak amperage in line with our capacity creep program and potentially enable further expansion into value-added products at the smelter in the future.”

### **About Century Aluminum Company**

Century Aluminum Company owns primary aluminum capacity in the United States and Iceland. Century's corporate offices are located in Chicago, IL. Visit [www.centuryaluminum.com](http://www.centuryaluminum.com) for more information.

### **Non-GAAP Financial Measures**

Adjusted net income / (loss), adjusted earnings / (loss) per share and adjusted EBITDA 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 tables below, under the heading "Reconciliation of Non-GAAP Financial Measures," 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, Century's reported results prepared in accordance with GAAP. In addition, because not all companies use identical calculations, adjusted net income / (loss), adjusted earnings / (loss) per share and adjusted EBITDA included in this press release may not be comparable to similarly titled measures of other companies. Investors are encouraged to review the reconciliations in conjunction with the presentation of these non-GAAP financial measures.

### **Cautionary Statement**

This press release and statements made by Century Aluminum Company 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: our assessment of global and local financial and economic conditions; our assessment of the aluminum market and aluminum prices (including premiums); our assessment of alumina pricing and costs associated with our other key raw materials, including power; the impact of the COVID-19 pandemic, and governmental guidance and regulations aimed at addressing the pandemic, including any possible impact on our business, operations, financial condition, results of operation, global supply chains or workforce; the future financial and operating performance of Century and its subsidiaries; our ability to successfully manage market risk and to control or reduce costs; our plans and expectations with respect to future operations, including any plans and expectations to curtail or restart production, including the expected impact of any such actions on our future financial and operating performance; our plans and expectations with regards to future operations of our Mt. Holly smelter, including our expectations as to the restart of curtailed production at Mt. Holly, including the timing, costs and benefits associated with this restart project; our plans with regards to future operations of our Hawesville smelter, including our expectations as to the restart of curtailed production at Hawesville and bringing the smelter back to full production and expectations as to the timing, costs and benefits associated with this restart project; our ability to successfully obtain long-term competitive power arrangements for our operations; the impact of Section 232 relief, including tariffs or other trade remedies, the extent to which any such remedies may be changed, including through exclusions or exemptions, and the

duration of any trade remedy; the impact of any new or changed law, regulation, including, without limitation, sanctions or other similar remedies or restrictions; our anticipated tax liabilities, benefits or refunds including the realization of U.S. and certain foreign deferred tax assets and liabilities; our ability to access existing or future financing arrangements and the terms of any such future financing arrangements; our ability to repay or refinance debt in the future; our ability to recover losses from our insurance; estimates of our pension and other postretirement liabilities, legal and environmental liabilities and other contingent liabilities; our assessment of any future tax audits or insurance claims and their respective outcomes; negotiations with labor unions; our assessment of any information technology related risks, including the risk from cyberattack or data security breaches; and our future business objectives, plans, strategies and initiatives, including our competitive position and prospects.

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 actual 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, investors are 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.

**CENTURY ALUMINUM COMPANY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(in millions, except per share amounts)

(Unaudited)

	Three months ended		
	June 30 2020	March 30 2021	June 30 2021
NET SALES:			
Related parties	\$ 285.6	\$ 268.3	\$ 306.4
Other customers	116.3	175.7	221.6
Total net sales	401.9	444.0	528.0
Cost of goods sold	414.9	464.7	507.1
Gross profit (loss)	(13.0)	(20.7)	20.9
Selling, general and administrative expenses	11.8	16.1	8.7
Other operating (income) expense - net	0.2	0.1	0.1
Operating income (loss)	(25.0)	(36.9)	12.1
Interest expense - Hawesville term loan	(0.5)	(0.3)	(0.2)
Interest expense	(5.9)	(9.0)	(7.5)
Interest income	0.4	0.1	0.1
Net gain (loss) on forward and derivative contracts	3.7	(98.1)	(64.4)
Loss on early extinguishment of debt	—	—	(24.7)
Other income (expense) - net	1.3	1.9	1.2
Income (loss) before income taxes	(26.0)	(142.3)	(83.4)
Income tax benefit (expense)	(0.9)	2.3	48.3
Income (loss) before equity in earnings of joint ventures	(26.9)	(140.0)	(35.1)
Equity in earnings (losses) of joint ventures	—	—	0.0
Net income (loss)	<u>\$ (26.9)</u>	<u>\$ (140.0)</u>	<u>\$ (35.1)</u>
Net income (loss) allocated to common stockholders	\$ (26.9)	\$ (140.0)	\$ (35.1)
EARNINGS (LOSS) PER COMMON SHARE:			
Basic and Diluted	\$ (0.30)	\$ (1.55)	\$ (0.39)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:			
Basic and Diluted	89.5	90.1	90.1

**CENTURY ALUMINUM COMPANY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in millions, except per share amounts)  
(Unaudited)

	Six months ended	
	June 30 2020	June 30 2021
<b>NET SALES:</b>		
Related parties	\$ 556.6	\$ 574.7
Other customers	266.5	397.3
Total net sales	823.1	972.0
Cost of goods sold	831.3	971.8
Gross profit (loss)	(8.2)	0.2
Selling, general and administrative expenses	20.7	24.8
Other operating (income) expense - net	0.5	0.2
Operating income (loss)	(29.4)	(24.8)
Interest expense - Hawesville term loan	(1.2)	(0.5)
Interest expense	(11.9)	(16.5)
Interest income	0.5	0.2
Net gain (loss) on forward and derivative contracts	7.5	(162.5)
Loss on early extinguishment of debt	—	(24.7)
Other income (expense) - net	3.0	3.1
Income (loss) before income taxes	(31.5)	(225.7)
Income tax benefit (expense)	1.9	50.6
Income (loss) before equity in earnings of joint ventures	(29.6)	(175.1)
Equity in earnings (losses) of joint ventures	—	0.0
Net income (loss)	\$ (29.6)	\$ (175.1)
Net income (loss) allocated to common stockholders	\$ (29.6)	\$ (175.1)
<b>EARNINGS (LOSS) PER COMMON SHARE:</b>		
Basic and Diluted	\$ (0.33)	\$ (1.94)
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:</b>		
Basic and Diluted	89.4	90.1

# CENTURY ALUMINUM COMPANY

## CONSOLIDATED BALANCE SHEETS

(in millions, except per share amounts)

(Unaudited)

	<b>December 31, 2020</b>	<b>June 30, 2021</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 81.6	\$ 9.0
Restricted cash	2.7	1.2
Accounts receivable - net	51.0	67.0
Due from affiliates	10.3	25.7
Inventories	291.1	331.5
Derivative assets	6.4	25.6
Prepaid and other current assets	12.9	18.0
Total current assets	456.0	478.0
Property, plant and equipment - net	880.4	868.8
Due from affiliates - less current portion	1.7	—
Other assets	61.5	58.6
<b>TOTAL</b>	<b>\$ 1,399.6</b>	<b>\$ 1,405.4</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>LIABILITIES:</b>		
Accounts payable, trade	\$ 106.1	\$ 133.6
Interest payable	15.0	—
Due to affiliates	21.7	50.7
Accrued and other current liabilities	54.5	54.8
Derivative liabilities	4.9	88.0
Accrued employee benefits costs	10.3	9.9
Hawesville term loan	20.0	10.0
U.S. revolving credit facility	—	39.6
Industrial revenue bonds	7.8	7.8
Total current liabilities	240.3	394.4
Senior notes payable	243.1	245.4
Convertible senior notes payable	—	83.8
Iceland revolving credit facility	45.0	—
Accrued pension benefits costs - less current portion	65.2	60.2
Accrued postretirement benefits costs - less current portion	101.5	100.7
Other liabilities	44.5	47.5
Derivative liabilities - less current portion	0.3	22.8
Leases - right of use liabilities	24.3	23.1

Due to affiliates - less current portion	0.1	14.3
Deferred taxes	89.2	42.8
Total noncurrent liabilities	613.2	640.6

#### SHAREHOLDERS' EQUITY:

Series A Preferred stock (one cent par value, 5,000,000 shares authorized; 160,000 issued and 63,589 outstanding at December 31, 2020; 160,000 issued and 63,274 outstanding at June 30, 2021)	0.0	0.0
Common stock (one cent par value, 195,000,000 authorized; 97,242,318 issued and 90,055,797 outstanding at December 31, 2020; 97,315,639 issued and 90,129,118 outstanding at June 30, 2021)	1.0	1.0
Additional paid-in capital	2,530.0	2,527.0
Treasury stock, at cost	(86.3)	(86.3)
Accumulated other comprehensive loss	(118.8)	(116.4)
Accumulated deficit	(1,779.8)	(1,954.9)
Total shareholders' equity	546.1	370.4
TOTAL	\$ 1,399.6	\$ 1,405.4

**CENTURY ALUMINUM COMPANY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in millions)

(Unaudited)

	<u>Six months ended June 30,</u>	
	<u>2020</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income (loss)	\$ (29.6)	\$ (175.1)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Unrealized (gain) loss on derivative instruments	(3.6)	127.5
Lower of cost or NRV inventory adjustment	37.1	—
Depreciation and amortization	40.4	41.8
Loss on early extinguishment of debt	—	24.7
Change in deferred tax benefit	(0.5)	(47.6)
Other non-cash items - net	2.4	4.2
Change in operating assets and liabilities:		
Accounts receivable - net	34.1	(16.0)
Due from affiliates	21.6	(16.6)
Inventories	8.4	(40.4)
Prepaid and other current assets	(1.1)	(4.3)
Accounts payable, trade	(10.0)	9.7
Due to affiliates	(31.0)	9.8
Accrued and other current liabilities	0.1	(1.3)
Other - net	3.3	(4.3)
Net cash provided by (used in) operating activities	<u>71.6</u>	<u>(87.9)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(9.6)	(25.9)
Proceeds from sale of property, plant and equipment	0.1	0.0
Net cash provided by (used in) investing activities	<u>(9.5)</u>	<u>(25.9)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of Senior Notes due 2025	—	(250.0)
Early redemption and tender premiums paid	—	(18.1)
Proceeds from issuance of Senior Notes due 2028	—	250.0
Proceeds from issuance of Convertible Senior Notes	—	86.3
Repayments on Hawesville term loan	(10.0)	(10.0)
Borrowings under revolving credit facilities	122.4	426.9
Repayments under revolving credit facilities	(36.4)	(432.3)
Debt issuance costs	—	(7.4)
Purchases of capped calls related to Convertible Senior Notes	—	(5.7)
Net cash provided by (used in) financing activities	<u>76.0</u>	<u>39.7</u>
<b>CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>	<b>138.1</b>	<b>(74.1)</b>
Cash, cash equivalents and restricted cash, beginning of year	<u>39.7</u>	<u>84.3</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 177.8</u>	<u>\$ 10.2</u>
<b>Supplemental Cash Flow Information:</b>		
<b>Cash paid for:</b>		
Interest	\$ 11.0	\$ 25.7
Taxes	0.1	0.0
<b>Non-cash investing activities:</b>		
Capital expenditures	0.6	2.8



**CENTURY ALUMINUM COMPANY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in millions)

(Unaudited)

<u>Six months ended June 30,</u>	
<u>2020</u>	<u>2021</u>

# CENTURY ALUMINUM COMPANY

## SELECTED OPERATING DATA

(in millions, except shipments)

(Unaudited)

### SHIPMENTS - PRIMARY ALUMINUM<sup>(1)</sup>

	United States		Iceland		Total	
	Tonnes	Sales \$	Tonnes	Sales \$	Tonnes	Sales \$
<b>2021</b>						
2nd Quarter	112,792	\$ 314.0	78,102	\$ 180.1	190,894	\$ 494.1
1st Quarter	116,437	\$ 275.6	79,260	\$ 164.2	195,697	\$ 439.8
<b>2020</b>						
2nd Quarter	130,645	\$ 246.6	79,664	\$ 145.9	210,309	\$ 392.5

Notes:

<sup>(1)</sup> Excludes scrap aluminum sales and alumina sales.

**CENTURY ALUMINUM COMPANY**  
**RECONCILIATION OF NON-GAAP FINANCIAL MEASURES**

(in millions, except per share amounts)

(Unaudited)

	Three months ended			
	March 31, 2021		June 30, 2021	
	\$MM	EPS	\$MM	EPS
<b>Net income (loss) as reported</b>	\$ (140.0)	\$ (1.55)	\$ (35.1)	\$ (0.39)
Lower of cost or NRV inventory adjustment, net of tax	(3.9)	(0.04)	—	—
Unrealized (gain) loss on derivative instruments, net of tax	92.7	1.03	32.9	0.37
Sebree equipment failure, net of insurance proceeds	(1.4)	(0.02)	—	—
Loss on early extinguishment of debt	—	—	24.7	0.27
Discrete tax item	—	—	(49.8)	(0.55)
Impact of preferred and convertible shares	—	0.04	—	0.03
<b>Adjusted net income (loss)</b>	<b>\$ (52.5)</b>	<b>\$ (0.54)</b>	<b>\$ (27.3)</b>	<b>\$ (0.27)</b>

	Three months ended			
	March 31, 2021		June 30, 2021	
	\$	(140.0)	\$	(35.1)
<b>Net Income (loss) as reported</b>				
Interest expense		9.0		7.5
Interest expense - Hawesville term loan		0.3		0.2
Interest income		(0.1)		(0.1)
Net (gain) loss on forward and derivative contracts		98.1		64.4
Loss on early extinguishment of debt		—		24.7
Other (income) expense - net		(1.9)		(1.2)
Income tax expense (benefit)		(2.3)		(48.3)
<b>Operating income (loss)</b>	<b>\$</b>	<b>(36.9)</b>	<b>\$</b>	<b>12.1</b>
Lower of cost or NRV inventory adjustment		(3.9)		—
Sebree equipment failure, net of insurance proceeds		(1.4)		—
Depreciation and amortization		22.5		22.3
<b>Adjusted EBITDA</b>	<b>\$</b>	<b>(19.7)</b>	<b>\$</b>	<b>34.4</b>

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Source: Century Aluminum Company