

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2024

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 1-09447

KAISER ALUMINUM CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State of incorporation)

94-3030279

(I.R.S. Employer Identification No.)

1550 West McEwen Drive, Suite 500

Franklin, Tennessee

(Address of principal executive offices)

37067

(Zip Code)

(629) 252-7040

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading symbol</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$0.01 per share	KALU	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 22, 2024, there were 16,087,112 shares of common stock of the registrant outstanding.

COMMONLY USED OR DEFINED TERMS

Term	Definition
Adjusted EBITDA	Earnings before interest, taxes, depreciation and amortization adjusted for non-run-rate items
Aero/HS Products	2000, 7000 and certain 6000 series alloys products used in the Aerospace, Defense, Space and other end markets requiring high strength applications
Alloy(s)	Certain metals such as copper, zinc, magnesium, manganese and silicon added to primary aluminum to obtain certain attributes
AOCI	Accumulated other comprehensive income (loss)
ASU	Accounting Standards Update
Automotive Extrusions	Extruded aluminum products used in automotive applications
COGS	Cost of products sold, excluding depreciation and amortization
Form 10-Q	This Quarterly Report on Form 10-Q
GAAP	United States Generally Accepted Accounting Principles
GE Products	6000 series alloys products used in the General Engineering end markets
LME	London Metal Exchange
MWTP	Midwest Transaction Price is equal to the LME aluminum price plus a Midwest premium
Newark	Kaiser Aluminum manufacturing facility located in Heath, Ohio, a suburb of Newark, Ohio
OPEB	Other Post Retirement Benefit Plan (Refer to Note 3 – Employee Benefits)
Other products	Cast and aluminum products used in various non-strategic end markets
Packaging	3000 and 5000 series alloys products used in the beverage and food packaging end markets
Revolving Credit Facility	Revolving credit facility with Wells Fargo Bank, National Association, as administrative agent, and the other financial institutions party thereto
Salaried VEBA	Salaried Voluntary Employees' Beneficiary Association (Refer to Note 3 – Employee Benefits)
SEC	Securities and Exchange Commission
Senior Notes	Collectively, the fixed-rate unsecured notes we issued during the years ended December 31, 2019 and 2021 at the following interest rates and aggregate principal amounts, respectively: (i) 4.625% and \$500.0 million; and (ii) 4.50% and \$550.0 million
Term SOFR	Forward looking term rate based on the Secured Overnight Financing Rate
Trentwood	Kaiser Aluminum manufacturing facility located in Spokane Valley, Washington
Warrick	Kaiser Aluminum manufacturing facility located in Newburgh, Indiana, in the county of Warrick

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KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	As of June 30, 2024	As of December 31, 2023
	(In millions of dollars, except share and per share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 70.4	\$ 82.4
Receivables:		
Trade receivables, net	370.1	325.2
Other	13.4	12.4
Contract assets	63.7	58.5
Inventories	446.9	477.2
Prepaid expenses and other current assets	46.0	34.5
Total current assets	1,010.5	990.2
Property, plant and equipment, net	1,084.6	1,052.1
Operating lease assets	29.1	32.6
Deferred tax assets, net	6.0	6.0
Intangible assets, net	47.7	50.0
Goodwill	18.8	18.8
Other assets	119.0	117.7
Total assets	\$ 2,315.7	\$ 2,267.4
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 281.8	\$ 252.7
Accrued salaries, wages and related expenses	48.9	53.0
Other accrued liabilities	65.7	64.3
Total current liabilities	396.4	370.0
Long-term portion of operating lease liabilities	26.3	29.2
Pension and other postretirement benefits	77.6	76.8
Net liabilities of Salaried VEBA	3.8	3.8
Deferred tax liabilities	20.6	13.9
Long-term liabilities	88.3	81.7
Long-term debt, net	1,040.7	1,039.8
Total liabilities	1,653.7	1,615.2
Commitments and contingencies – Note 7		
Stockholders' equity:		
Preferred stock, 5,000,000 shares authorized at both June 30, 2024 and December 31, 2023; no shares were issued and outstanding at June 30, 2024 and December 31, 2023	—	—
Common stock, par value \$0.01, 90,000,000 shares authorized at both June 30, 2024 and December 31, 2023; 22,922,398 shares issued and 16,087,112 shares outstanding at June 30, 2024; 22,851,077 shares issued and 16,015,791 shares outstanding at December 31, 2023	0.2	0.2
Additional paid in capital	1,111.0	1,104.7
Retained earnings	12.5	10.1
Treasury stock, at cost, 6,835,286 shares at both June 30, 2024 and December 31, 2023	(475.9)	(475.9)
Accumulated other comprehensive income	14.2	13.1
Total stockholders' equity	662.0	652.2
Total liabilities and stockholders' equity	\$ 2,315.7	\$ 2,267.4

The accompanying notes to interim consolidated financial statements are an integral part of these statements.

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
STATEMENTS OF CONSOLIDATED INCOME (UNAUDITED)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
(In millions of dollars, except share and per share amounts)				
Net sales	\$ 773.4	\$ 814.1	\$ 1,510.9	\$ 1,621.7
Costs and expenses:				
Cost of products sold, excluding depreciation and amortization	690.5	718.4	1,333.4	1,449.5
Depreciation and amortization	29.0	26.4	57.8	52.7
Selling, general, administrative, research and development	31.6	32.2	64.2	61.9
Restructuring costs	6.8	1.2	6.9	2.6
Other operating charges, net	—	—	0.4	—
Total costs and expenses	757.9	778.2	1,462.7	1,566.7
Operating income	15.5	35.9	48.2	55.0
Other (expense) income:				
Interest expense	(11.1)	(12.1)	(22.6)	(24.0)
Other (expense) income, net – Note 9	(0.5)	(2.5)	10.4	11.1
Income before income taxes	3.9	21.3	36.0	42.1
Income tax provision	(0.8)	(3.0)	(8.3)	(7.9)
Net income	\$ 3.1	\$ 18.3	\$ 27.7	\$ 34.2
Net income per common share:				
Basic	\$ 0.19	\$ 1.14	\$ 1.72	\$ 2.14
Diluted	\$ 0.19	\$ 1.14	\$ 1.69	\$ 2.12
Weighted-average number of common shares outstanding (in thousands):				
Basic	16,072	15,974	16,050	15,957
Diluted	16,398	16,083	16,321	16,090

The accompanying notes to interim consolidated financial statements are an integral part of these statements.

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME (UNAUDITED)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(In millions of dollars)		(In millions of dollars)	
Net income	\$ 3.1	\$ 18.3	\$ 27.7	\$ 34.2
Other comprehensive (loss) income, net of tax – Note 8:				
Defined benefit plans	(0.1)	(4.6)	(0.6)	(3.9)
Cash flow hedges	3.3	(2.7)	1.7	(4.5)
Other comprehensive income (loss), net of tax	3.2	(7.3)	1.1	(8.4)
Comprehensive income	<u>\$ 6.3</u>	<u>\$ 11.0</u>	<u>\$ 28.8</u>	<u>\$ 25.8</u>

The accompanying notes to interim consolidated financial statements are an integral part of these statements.

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
STATEMENTS OF CONSOLIDATED STOCKHOLDERS' EQUITY (UNAUDITED)

Six Months Ended June 30, 2024

	Common Shares Outstanding ¹	Common Stock	Additional Paid in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensi ve Income	Total
(In millions of dollars, except share and per share amounts)							
BALANCE, December 31, 2023	16,015,791	\$ 0.2	\$ 1,104.7	\$ 10.1	\$ (475.9)	\$ 13.1	\$ 652.2
Net income	—	—	—	24.6	—	—	24.6
Other comprehensive loss, net of tax	—	—	—	—	—	(2.1)	(2.1)
Common shares issued (including impacts from Long-Term Incentive programs)	56,416	—	—	—	—	—	—
Cancellation of shares to cover tax withholdings upon common shares issued	(16,175)	—	(1.2)	—	—	—	(1.2)
Cash dividends declared ²	—	—	—	(12.6)	—	—	(12.6)
Amortization of unearned equity compensation	—	—	4.0	—	—	—	4.0
BALANCE, March 31, 2024	<u>16,056,032</u>	<u>\$ 0.2</u>	<u>\$ 1,107.5</u>	<u>\$ 22.1</u>	<u>\$ (475.9)</u>	<u>\$ 11.0</u>	<u>\$ 664.9</u>
Net income	—	—	—	3.1	—	—	3.1
Other comprehensive income, net of tax	—	—	—	—	—	3.2	3.2
Common shares issued (including impacts from Long-Term Incentive programs)	38,143	—	0.5	—	—	—	0.5
Cancellation of shares to cover tax withholdings upon common shares issued	(7,063)	—	(0.6)	—	—	—	(0.6)
Cash dividends declared ²	—	—	—	(12.7)	—	—	(12.7)
Amortization of unearned equity compensation	—	—	3.6	—	—	—	3.6
BALANCE, June 30, 2024	<u>16,087,112</u>	<u>\$ 0.2</u>	<u>\$ 1,111.0</u>	<u>\$ 12.5</u>	<u>\$ (475.9)</u>	<u>\$ 14.2</u>	<u>\$ 662.0</u>

^{1.} At June 30, 2024, 607,964 shares were available for awards under the Kaiser Aluminum Corporation 2021 Equity and Incentive Compensation Plan, as amended and restated.

^{2.} Dividends declared per common share were \$0.77 for the quarters ended March 31, 2024 and June 30, 2024.

The accompanying notes to interim consolidated financial statements are an integral part of these statements.

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
STATEMENTS OF CONSOLIDATED STOCKHOLDERS' EQUITY CONTINUED (UNAUDITED)

Six Months Ended June 30, 2023

	Common Shares Outstanding	Common Stock	Additional Paid in Capital	Retained Earnings	Treasury Stock	Accumulated Other Comprehensi ve Income (Loss)	Total
(In millions of dollars, except share and per share amounts)							
BALANCE, December 31, 2022	15,940,756	\$ 0.2	\$ 1,090.4	\$ 13.3	\$ (475.9)	\$ 3.2	\$ 631.2
Net income	—	—	—	15.9	—	—	15.9
Other comprehensive loss, net of tax	—	—	—	—	—	(1.1)	(1.1)
Common shares issued (including impacts from Long-Term Incentive programs)	49,128	—	—	—	—	—	—
Cancellation of shares to cover employees' tax withholdings upon vesting of non-vested shares	(15,848)	—	(1.3)	—	—	—	(1.3)
Cash dividends declared ¹	—	—	—	(12.5)	—	—	(12.5)
Amortization of unearned equity compensation	—	—	3.4	—	—	—	3.4
BALANCE, March 31, 2023	<u>15,974,036</u>	<u>\$ 0.2</u>	<u>\$ 1,092.5</u>	<u>\$ 16.7</u>	<u>\$ (475.9)</u>	<u>\$ 2.1</u>	<u>\$ 635.6</u>
Net income	—	—	—	18.3	—	—	18.3
Other comprehensive loss, net of tax	—	—	—	—	—	(7.3)	(7.3)
Common shares issued (including impacts from Long-Term Incentive programs)	45,164	—	0.7	—	—	—	0.7
Cancellation of shares to cover tax withholdings upon common shares issued	(6,036)	—	(0.4)	—	—	—	(0.4)
Cash dividends declared ¹	—	—	—	(12.6)	—	—	(12.6)
Amortization of unearned equity compensation	—	—	3.8	—	—	—	3.8
BALANCE, June 30, 2023	<u>16,013,164</u>	<u>\$ 0.2</u>	<u>\$ 1,096.6</u>	<u>\$ 22.4</u>	<u>\$ (475.9)</u>	<u>\$ (5.2)</u>	<u>\$ 638.1</u>

¹. Dividends declared per common share were \$0.77 for the quarters ended March 31, 2023 and June 30, 2023.

The accompanying notes to interim consolidated financial statements are an integral part of these statements.

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
STATEMENTS OF CONSOLIDATED CASH FLOWS (UNAUDITED)

	Six Months Ended June 30,	
	2024	2023
	(In millions of dollars)	
Cash flows from operating activities ¹ :		
Net income	\$ 27.7	\$ 34.2
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property, plant and equipment	55.5	49.9
Amortization of definite-lived intangible assets	2.3	2.8
Amortization of debt premium and debt issuance costs	1.1	1.0
Amortization of cloud computing implementation costs	0.6	0.7
Deferred income taxes	6.4	6.6
Non-cash LIFO charge (benefit)	4.5	(4.0)
Non-cash equity compensation	8.1	7.9
Non-cash asset impairment charge ²	3.6	—
Non-cash unrealized loss on derivative positions	2.2	—
Loss (gain) on disposition of property, plant and equipment	0.5	(14.2)
Bad debt expense	0.3	—
Non-cash postretirement defined benefit plan cost	4.3	6.4
Changes in operating assets and liabilities:		
Trade and other receivables	(46.2)	(17.8)
Contract assets	(5.2)	2.3
Inventories (excluding LIFO adjustments)	22.6	31.5
Prepaid expenses and other current assets	(10.9)	(4.8)
Accounts payable	16.1	(56.0)
Accrued liabilities	(3.4)	2.3
Annual variable cash contributions to Salaried VEBA	(1.1)	—
Long-term assets and liabilities, net	0.6	(1.0)
Net cash provided by operating activities	89.6	47.8
Cash flows from investing activities ¹ :		
Capital expenditures	(73.7)	(82.6)
Purchase of equity securities	(0.1)	(0.3)
Proceeds from sale of equity securities	0.2	—
Proceeds from disposition of property, plant and equipment	—	15.2
Net cash used in investing activities	(73.6)	(67.7)
Cash flows from financing activities ¹ :		
Borrowings under the Revolving Credit Facility	—	210.0
Repayment of borrowings under the Revolving Credit Facility	—	(195.0)
Repayment of finance lease	(0.9)	(1.2)
Cancellation of shares to cover tax withholdings upon common shares issued	(1.8)	(1.7)
Cash dividends and dividend equivalents paid	(25.3)	(25.1)
Net cash used in financing activities	(28.0)	(13.0)
Net decrease in cash, cash equivalents and restricted cash during the period	(12.0)	(32.9)
Cash, cash equivalents and restricted cash at beginning of period	100.7	71.3
Cash, cash equivalents and restricted cash at end of period	\$ 88.7	\$ 38.4

¹. See Note 12 for supplemental cash flow information.

². Non-cash asset impairment charge for the six months ended June 30, 2024 is comprised of: (i) a \$3.2 million inventory write-down related to certain alloying metals, and (ii) a \$0.4 million impairment charge on land held for sale.

The accompanying notes to interim consolidated financial statements are an integral part of these statements.

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS - UNAUDITED

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KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

1. Basis of Presentation and Recent Accounting Pronouncements

This Form 10-Q should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2023. Unless the context otherwise requires, references in these notes to interim consolidated financial statements - unaudited to "Kaiser," "we," "us," "our," "the Company" and "our Company" refer collectively to Kaiser Aluminum Corporation and its subsidiaries.

Principles of Consolidation and Basis of Presentation. The accompanying unaudited consolidated financial statements include the accounts of our wholly owned subsidiaries and are prepared in accordance with GAAP and the rules and regulations of the SEC applicable for interim periods and, therefore, do not include all information and footnotes required by GAAP for complete financial statements. In management's opinion, all adjustments (which include normal recurring adjustments) considered necessary for a fair presentation have been included. We have reclassified certain items in prior periods to conform to current classifications. The results of operations for our interim periods are not necessarily indicative of the results of operations that may be achieved for the entire 2024 fiscal year. The financial information as of December 31, 2023 is derived from our audited consolidated financial statements and footnotes included in our Annual Report on Form 10-K for the year ended December 31, 2023.

Use of Estimates in the Preparation of Financial Statements. The preparation of financial statements in accordance with GAAP requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities known to exist as of the date the financial statements are published and the reported amounts of revenues and expenses during the reporting period. Uncertainties with respect to such estimates and assumptions are inherent in the preparation of our consolidated financial statements; accordingly, it is possible that the actual results could differ from these estimates and assumptions, which could have a material effect on the reported amounts of our consolidated financial position and results of operations.

Accounting Pronouncements Issued But Not Yet Adopted

Disclosure Improvements. In October 2023, the Financial Accounting Standards Board ("FASB") issued ASU No. 2023-06 ("ASU 2023-06"), Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative. The guidance amends GAAP to reflect updates and simplifications to certain disclosure requirements referred to the FASB by the SEC. The amendments in ASU 2023-06 will become effective on the date which the SEC's removal of the related disclosure becomes effective. If by June 30, 2027, the SEC does not remove the related disclosure, the pending amendment will be removed from ASC 2023-06 and it will not be effective. Adoption of ASU 2023-06 is expected to modify the disclosure and presentation requirements only and is not expected to have a material impact on our consolidated financial statements.

Segment Reporting. In November 2023, the FASB issued ASU No. 2023-07 ("ASU 2023-07"), Improvements to Reportable Segment Disclosures. The guidance primarily will require enhanced disclosures about significant segment expenses. All disclosure requirements under ASU 2023-07 and existing segment disclosures in ASC 280, Segment Reporting are also required for public entities with a single reportable segment. The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. A retrospective approach is required to be applied to all prior periods presented in the financial statements. We plan to adopt the provisions of ASU 2023-07 in the fourth quarter of fiscal 2024 and continue to evaluate the disclosure requirements related to the new standard.

Income Taxes. In December 2023, the FASB issued ASU No. 2023-09 ("ASU 2023-09"), Improvements to Income Tax Disclosures. The guidance is intended to improve income tax disclosure requirements by requiring (i) consistent categories and greater disaggregation of information in the rate reconciliation and (ii) the disaggregation of income taxes paid by jurisdiction. The guidance makes several other changes to the income tax disclosure requirements. The amendments in ASU 2023-09 are effective for fiscal years beginning after December 15, 2024, with early adoption permitted, and is required to be applied prospectively with the option of retrospective application. We plan to adopt the provisions of ASU 2023-09 in the fourth quarter of fiscal 2025 and continue to evaluate the disclosure requirements related to the new standard.

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

2. Supplemental Balance Sheet Information

	As of June 30, 2024	As of December 31, 2023
	(In millions of dollars)	
<i>Trade Receivables, Net</i>		
Billed trade receivables	\$ 370.9	\$ 325.8
Allowance for doubtful receivables	(0.8)	(0.6)
Trade receivables, net	<u>\$ 370.1</u>	<u>\$ 325.2</u>
<i>Inventories¹</i>		
Finished products	\$ 72.1	\$ 89.3
Work-in-process	210.2	210.8
Raw materials	148.0	161.5
Operating supplies	16.6	15.6
Inventories	<u>\$ 446.9</u>	<u>\$ 477.2</u>
<i>Property, Plant and Equipment, Net</i>		
Land and improvements	\$ 37.2	\$ 38.0
Buildings and leasehold improvements	241.6	238.4
Machinery and equipment	1,279.7	1,265.3
Construction in progress	240.1	173.7
Property, plant and equipment, gross	1,798.6	1,715.4
Accumulated depreciation and amortization	(715.5)	(663.7)
Land held for sale	1.5	0.4
Property, plant and equipment, net	<u>\$ 1,084.6</u>	<u>\$ 1,052.1</u>
<i>Other Assets</i>		
Assets to be conveyed associated with Warrick acquisition	\$ 56.8	\$ 56.8
Restricted cash – Note 12	18.3	18.3
Long-term replacement parts	17.3	16.7
Other	26.6	25.9
Other assets	<u>\$ 119.0</u>	<u>\$ 117.7</u>
<i>Other Accrued Liabilities</i>		
Uncleared cash disbursements	\$ 20.0	\$ 15.7
Accrued income taxes and other taxes payable	10.8	9.5
Accrued annual contribution to Salaried VEBA	—	1.1
Accrued interest	9.9	9.9
Short-term environmental accrual – Note 7	0.5	2.8
Current operating lease liabilities	7.2	8.0
Current finance lease liabilities	2.5	2.1
Other – Note 5	14.8	15.2
Other accrued liabilities	<u>\$ 65.7</u>	<u>\$ 64.3</u>
<i>Long-Term Liabilities</i>		
Workers' compensation accrual	\$ 29.7	\$ 29.9
Long-term environmental accrual – Note 7	14.8	14.2
Other long-term liabilities	43.8	37.6
Long-term liabilities	<u>\$ 88.3</u>	<u>\$ 81.7</u>

¹. At June 30, 2024 and December 31, 2023, the current cost of our inventory exceeded its stated last-in, first-out (“LIFO”) value by \$83.5 million and \$56.0 million, respectively.

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

3. Employee Benefits

Deferred Compensation Plan

Assets of our deferred compensation plan are included in Other assets, classified within Level 1 of the fair value hierarchy and are measured and recorded at fair value based on their quoted market prices. The fair value of these assets at June 30, 2024 and December 31, 2023 was \$11.5 million and \$11.1 million, respectively. Assets in the trust are held in various investment funds at certain registered investment companies and are accounted for as equity investments with changes in fair value recorded within Other (expense) income, net (see Note 9). Offsetting liabilities relating to the deferred compensation plan are included in Other accrued liabilities and Long-term liabilities.

Short-Term Incentive Plans

As of June 30, 2024, we had a liability of \$8.7 million recorded within Accrued salaries, wages and related expenses for estimated probable future payments under the 2024 short-term incentive plans.

Postretirement Benefit Plans

The following table presents the total expense related to all postretirement benefit plans (in millions of dollars):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Defined contribution plans ¹	\$ 4.2	\$ 4.3	\$ 10.0	\$ 10.1
Deferred compensation plan ²	—	0.4	0.7	0.6
Multiemployer pension plans ¹	1.5	1.4	3.0	2.8
Net periodic postretirement benefit cost relating to defined benefit plans ^{2,3}	2.8	3.3	4.3	6.4
Total	\$ 8.5	\$ 9.4	\$ 18.0	\$ 19.9

- ^{1.} Substantially all of these charges related to employee benefits are in COGS with the remaining balance in Selling, general, administrative, research, and development (“SG&A and R&D”) within our Statements of Consolidated Income.
- ^{2.} Deferred compensation plan expense and the current service cost component of Net periodic postretirement benefit cost relating to Salaried VEBA are included within our Statements of Consolidated Income in SG&A and R&D for all periods presented. All other components of Net periodic postretirement benefit cost relating to Salaried VEBA are included within Other (expense) income, net, on our Statements of Consolidated Income.
- ^{3.} The current service cost component of Net periodic postretirement benefit cost relating to both the pension plans and the OPEB plan are included within our Statements of Consolidated Income in COGS for all periods presented. All other components of Net periodic postretirement benefit cost relating to both the pension plans and the OPEB plan are included within Other (expense) income, net, on our Statements of Consolidated Income.

Warrick Pension Amendment. During the quarter ended June 30, 2024, we amended the Kaiser Aluminum Warrick pension plan (“Warrick Pension Plan”) to clarify certain plan provisions going back to the date of our acquisition of Warrick, which resulted in an interim remeasurement of the Warrick Pension Plan as of June 30, 2024. The remeasurement decreased the Warrick Pension Plan’s net funded status by \$0.8 million, driven by: (i) a \$2.2 million increase in pre-tax prior service cost, which we recorded to AOCI and is expected to be amortized on a straight-line basis over approximately 10 years, and (ii) an actuarial gain of \$1.4 million, reflecting an increase in the assumed discount rate. The discount rate assumption used to determine the Warrick Pension Plan benefit obligation was 5.51% at June 30, 2024 compared to 5.04% at December 31, 2023. There was no change to the expected long-term rate of return on plan assets assumption at June 30, 2024 compared to December 31, 2023.

The Warrick Pension Plan amendment had no effect on our expected contributions for 2024. During the six months ended June 30, 2024, we contributed \$3.6 million to the pension plans. We expect to make further contributions of approximately \$2.2 million to the pension plans during the remainder of 2024.

Components of Net Periodic Postretirement Benefit Cost. Our results of operations included the following impacts associated with the defined benefit plans: (i) a charge for service rendered by employees; (ii) a charge for accretion of interest; (iii) a benefit for the

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expected return on plan assets; (iv) amortization of prior service costs associated with plan amendments; and (v) amortization of net actuarial differences.

The following table presents the components of Net periodic postretirement benefit cost relating to the defined benefit plans (in millions of dollars):

	Pension Plans		OPEB		Salaried VEBA	
	Quarter Ended June 30,		Quarter Ended June 30,		Quarter Ended June 30,	
	2024	2023	2024	2023	2024	2023
Service cost	\$ 1.1	\$ 0.8	\$ 0.2	\$ 0.2	\$ —	\$ —
Interest cost	0.4	0.3	0.9	0.9	0.6	0.7
Expected return on plan assets	(0.4)	(0.2)	—	—	(0.6)	(0.5)
Amortization of prior service cost ¹	0.1	0.1	—	—	0.7	1.3
Amortization of net actuarial gain	—	—	(0.2)	(0.3)	—	—
Total net periodic postretirement benefit cost	\$ 1.2	\$ 1.0	\$ 0.9	\$ 0.8	\$ 0.7	\$ 1.5

	Pension Plans		OPEB		Salaried VEBA	
	Six Months Ended June 30,		Six Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023
Service cost	\$ 2.0	\$ 1.8	\$ 0.5	\$ 0.5	\$ —	\$ —
Interest cost	0.8	0.6	1.7	1.7	1.1	1.4
Expected return on plan assets	(0.7)	(0.5)	—	—	(1.1)	(1.1)
Amortization of prior service cost ¹	0.3	0.1	—	—	0.2	2.5
Amortization of net actuarial gain	—	—	(0.5)	(0.6)	—	—
Total net periodic postretirement benefit cost	\$ 2.4	\$ 2.0	\$ 1.7	\$ 1.6	\$ 0.2	\$ 2.8

¹ We amortize prior service cost on a straight-line basis over the average remaining years of service of the active plan participants.

4. Restructuring

2024 Restructuring Plan. During the quarter, we initiated a plan to exit our soft alloy aluminum extrusion facility located in Sherman, Texas (“2024 Restructuring Plan”). As a result, we recorded a charge of \$6.8 million during the quarter consisting of a \$4.6 million multiemployer pension obligation which is expected to be paid in 2027 and a \$2.2 million charge for severance, related benefits, and other costs, to be substantially paid by December 31, 2024. As of June 30, 2024, the total estimated costs related to the 2024 Restructuring Plan are expected to range from \$7.0 million to \$10.0 million. The costs are recorded within Restructuring costs in our Statements of Consolidated Income.

The following table summarizes activity relating to the 2024 Restructuring Plan liabilities (in millions of dollars):

BALANCE, March 31, 2024	\$	—
Restructuring costs		6.8
Costs paid or otherwise settled ¹		(0.6)
BALANCE, June 30, 2024	\$	6.2

¹ Cash paid during the quarter ended June 30, 2024 was \$0.6 million.

2022 Restructuring Plan. During 2022, we relocated our corporate headquarters from Foothill Ranch, California (“Foothill Ranch”) to Franklin, Tennessee (“Franklin”). In conjunction with the relocation, we initiated a restructuring plan during the quarter ended December 31, 2022, which consisted primarily of employee retention benefits aimed at incentivizing Foothill Ranch employees to assist with the buildout of the new corporate function in Franklin (“2022 Restructuring Plan”). We incurred total restructuring costs of \$7.4 million related to the 2022 Restructuring Plan, which consisted of employee-related costs and office rent within Restructuring costs in our Statements of Consolidated Income. We completed the 2022 Restructuring Plan as of June 30, 2024.

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The following table summarizes activity relating to the 2022 Restructuring Plan liabilities (in millions of dollars):

BALANCE, December 31, 2023	\$	1.2
Restructuring costs		0.1
Costs paid or otherwise settled ¹		(1.2)
BALANCE, March 31, 2024		0.1
Restructuring costs		—
Costs paid or otherwise settled ¹		(0.1)
BALANCE, June 30, 2024	\$	—

^{1.} Cash paid during the quarters ended March 31, 2024 and June 30, 2024 was \$1.1 million and \$0.1 million, respectively.

5. Derivatives, Hedging Programs and Other Financial Instruments

Overview. In conducting our business, we enter into derivative transactions, including forward contracts and options, to limit our exposure to: (i) metal price risk related to our sale of fabricated aluminum products and the purchase of metal, including primary, rolling ingot and scrap, or recycled, aluminum, our main raw material, and certain alloys used as raw material for our fabrication operations; (ii) energy price risk related to fluctuating prices of natural gas and electricity used in our production processes; and (iii) foreign currency exchange rate risk related to certain equipment and service agreements with vendors for which payments are due in foreign currency. We do not use derivative financial instruments for trading or other speculative purposes. Hedging transactions are executed centrally on behalf of all of our operations to minimize transaction costs, monitor consolidated net exposures, and allow for increased responsiveness to changes in market factors.

Our derivative activities are overseen by a committee (“Hedging Committee”), which is composed of our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Treasurer, Executive Vice President of Manufacturing and other officers and employees selected by the Chief Executive Officer. The Hedging Committee meets regularly to review commodity price exposures, derivative positions and strategy. Management reviews the scope of the Hedging Committee’s activities with our Board of Directors.

We are exposed to counterparty credit risk on all of our derivative instruments, which we manage by monitoring the credit quality of our counterparties and allocating our hedging positions among multiple counterparties to limit exposure to any single entity. Our counterparties are major investment grade financial institutions or trading companies, and our hedging transactions are governed by negotiated International Swaps and Derivatives Association Master Agreements, which generally require collateral to be posted by our counterparties above specified credit thresholds which may adjust up or down, based on increases or decreases in counterparty credit ratings. As a result, we believe the risk of loss is remote and contained. The aggregate fair value of our derivative instruments that were in a net liability position was \$2.3 million and \$1.0 million at June 30, 2024 and December 31, 2023, respectively, and we had no collateral posted as of those dates.

In addition, our firm-price customer sales commitments create incremental customer credit risk related to metal price movements. Under certain circumstances, we mitigate this risk by periodically requiring cash collateral to be posted by our customers, which we classify as deferred revenue and include as a component of Other accrued liabilities. We had no material cash collateral posted by our customers at both June 30, 2024 and December 31, 2023.

Cash Flow Hedges

We designate as cash flow hedges forward swap contracts for aluminum and energy. Additionally, in the fourth quarter of 2023, we adopted this treatment for Alloying Metals used in our fabrication operations. We also designate as cash flow hedges foreign currency forward contracts for equipment and services for which payments are due in foreign currency. Unrealized gains and losses associated with our cash flow hedges are deferred in Other comprehensive income (loss), net of tax, and reclassified to COGS when such hedges settle or when it is probable that the original forecasted transactions will not occur by the end of the originally specified time period. See Note 8 for the total amount of gain or loss on derivative instruments designated and qualifying as cash flow hedging instruments that was reported in AOCI, as well as the related reclassifications into earnings and tax effects. Cumulative gains and losses related to cash flow hedges are reclassified out of AOCI and recorded within COGS when the associated hedged commodity purchases impact earnings.

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Aluminum Hedges. Our pricing of fabricated aluminum products is generally intended to lock in our Conversion Revenue (representing our value added from the fabrication process) and to pass through aluminum price fluctuations to our customers. For some of our higher margin products sold on a spot basis, the pass through of aluminum price movements can sometimes lag by as much as several months, with a favorable impact to us when aluminum prices decline and an adverse impact to us when aluminum prices increase. Additionally, in certain instances, we enter into firm-price arrangements with our customers for stipulated volumes to be delivered in the future. Because we generally purchase primary and secondary aluminum on a floating price basis, the lag in passing through aluminum price movements to customers on some of our higher margin products sold on a spot basis and the volume that we have committed to sell to our customers under a firm-price arrangement create aluminum price risk for us. We use third-party hedging instruments to limit exposure to aluminum price risk related to the aluminum pass through lag on some of our products and firm-price customer sales contracts.

Alloying Metals Hedges. We are exposed to the risk of fluctuating prices for alloying metals used as raw materials in our fabrication operations. We, from time to time, in the ordinary course of business, enter into hedging transactions and/or physical delivery commitments with third parties to mitigate our risk from fluctuations in certain alloying metals prices that are not passed through pursuant to the terms of our customer contracts.

Energy Hedges. We are exposed to the risk of fluctuating prices for natural gas and electricity. We, from time to time, in the ordinary course of business, enter into hedging transactions and/or firm price physical delivery commitments with third parties to mitigate our risk from fluctuations in natural gas and electricity prices that are not passed through pursuant to the terms of our customer contracts.

Foreign Currency Hedges. We are exposed to foreign currency exchange rate risk related to certain equipment and service agreements with vendors for which payments are due in foreign currency. We, from time to time, in the ordinary course of business, use foreign currency forward contracts in order to mitigate the exposure to currency exchange rate fluctuations related to these purchases.

Non-Designated Hedges of Operational Risks

From time to time, we enter into commodity and foreign currency forward contracts that are not designated as hedging instruments to mitigate certain short-term impacts, as identified. The gain or loss on these commodity and foreign currency derivatives is recognized within COGS and Other (expense) income, net, respectively.

Notional Amount of Derivative Contracts

The following table summarizes our derivative positions at June 30, 2024:

Aluminum	Maturity Period	Notional Amount of Contracts (mmlbs)
Fixed price purchase contracts for LME	July 2024 through December 2025	62.4
Fixed price purchase contracts for MWTP	July 2024 through December 2025	48.9
Fixed price sale contracts for MWTP	July 2024 through September 2024	15.5
Alloying Metals	Maturity Period	Notional Amount of Contracts (mmlbs)
Fixed price purchase contracts	July 2024 through December 2026	10.0
Natural Gas	Maturity Period	Notional Amount of Contracts (mmbtu)
Fixed price purchase contracts	July 2024 through December 2026	3,240,000
Electricity	Maturity Period	Notional Amount of Contracts (Mwh)
Fixed price purchase contracts	July 2024 through December 2024	110,425
Euro	Maturity Period	Notional Amount of Contracts (EUR)
Fixed price forward purchase contracts	August 2024 through January 2026	10,856,964

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British Pounds	Maturity Period	Notional Amount of Contracts (GBP)
Fixed price forward purchase contracts	July 2024	72,266

(Gain) Loss on Derivative Contracts

The following table summarizes the amount of (gain) loss on derivative contracts recorded within our Statements of Consolidated Income in COGS (in millions of dollars):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Total of income and expense line items presented in our Statements of Consolidated Income in which the effects of hedges are recorded:				
Cash flow hedges	\$ 690.5	\$ 718.4	\$ 1,333.4	\$ 1,449.5
(Gain) loss recognized in our Statements of Consolidated Income related to cash flow hedges:				
Aluminum	\$ (2.7)	\$ 5.2	\$ (0.7)	\$ 5.7
Alloying Metals	(0.5)	—	(0.5)	—
Natural gas	0.4	0.3	0.7	—
Electricity	0.8	—	0.6	—
Total (gain) loss recognized in our Statements of Consolidated Income related to cash flow hedges	\$ (2.0)	\$ 5.5	\$ 0.1	\$ 5.7
Loss recognized in our Statements of Consolidated Income related to non-designated derivatives:				
Alloying Metals – Unrealized mark-to-market loss	\$ —	\$ 0.2	\$ —	\$ 0.1
Electricity – Unrealized mark-to-market loss	2.0	—	2.0	—
Electricity (reclassification from AOCI due to forecasted transactions probable of not occurring)	0.2	—	0.2	—
Total loss recognized in our Statements of Consolidated Income related to non-designated derivatives	\$ 2.2	\$ 0.2	\$ 2.2	\$ 0.1

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Fair Values of Derivative Contracts

The fair values of our derivative contracts are based upon trades in liquid markets. Valuation model inputs can be verified, and valuation techniques do not involve significant judgment. The fair values of such derivatives are classified within Level 2 of the fair value hierarchy.

All of our derivative contracts with counterparties are subject to enforceable master netting arrangements. We reflect the fair value of our derivative contracts on a gross basis on our Consolidated Balance Sheets. The following table presents the fair value of our derivative assets and liabilities (in millions of dollars):

	As of June 30, 2024			As of December 31, 2023		
	Assets	Liabilities	Net Amount	Assets	Liabilities	Net Amount
<i>Aluminum –</i>						
Fixed price purchase contracts for LME	\$ 3.4	\$ (0.7)	\$ 2.7	\$ 3.4	\$ (0.6)	\$ 2.8
Fixed price sale contracts for LME	—	—	—	—	(0.2)	(0.2)
Fixed price purchase contracts for MWTP	0.3	(0.3)	—	0.4	(0.3)	0.1
Fixed price sale contracts for MWTP	—	—	—	0.1	(0.2)	(0.1)
<i>Alloying Metals –</i> Fixed price purchase contracts	2.6	—	2.6	0.7	(0.1)	0.6
<i>Natural gas –</i> Fixed price purchase contracts	0.5	(0.7)	(0.2)	0.3	(0.9)	(0.6)
<i>Electricity –</i> Fixed price purchase contracts	—	—	—	0.5	(0.6)	(0.1)
<i>Foreign currency –</i> Fixed price forward contracts	—	(0.1)	(0.1)	0.5	—	0.5
Total cash flow hedges	6.8	(1.8)	5.0	5.9	(2.9)	3.0
<i>Non-Designated Derivatives:</i>						
<i>Electricity –</i> Fixed price purchase contracts	0.1	(2.3)	(2.2)	—	—	—
Total non-designated derivatives	0.1	(2.3)	(2.2)	—	—	—
Total	\$ 6.9	\$ (4.1)	\$ 2.8	\$ 5.9	\$ (2.9)	\$ 3.0

The following table presents the total amounts of derivative assets and liabilities on our Consolidated Balance Sheets (in millions of dollars):

	As of June 30, 2024	As of December 31, 2023
<i>Derivative assets:</i>		
Prepaid expenses and other current assets	\$ 5.4	\$ 4.8
Other assets	1.5	1.1
Total derivative assets	\$ 6.9	\$ 5.9
<i>Derivative liabilities:</i>		
Other accrued liabilities	\$ (3.7)	\$ (2.4)
Long-term liabilities	(0.4)	(0.5)
Total derivative liabilities	\$ (4.1)	\$ (2.9)

Fair Value of Other Financial Instruments

All Other Financial Assets and Liabilities. We believe that the fair values of our accounts receivable, contract assets, accounts payable and accrued liabilities approximate their respective carrying values due to their short maturities and nominal credit risk.

6. Debt and Credit Facility

Senior Notes

At June 30, 2024 and December 31, 2023, we had outstanding fixed-rate unsecured Senior Notes with varying maturity dates. The stated interest rates and aggregate principal amounts of our Senior Notes were, respectively: (i) 4.625% and \$500.0 million (“4.625%

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Senior Notes”) and (ii) 4.50% and \$550.0 million (“4.50% Senior Notes”). Our Senior Notes do not require us to make any mandatory redemptions or sinking fund payments. The following table summarizes key details of our Senior Notes:

	Issuance Date	Maturity	Effective Interest Rate	Outstanding (in millions of dollars)	
				As of June 30, 2024	As of December 31, 2023
4.625% Senior Notes	November 2019	March 2028	4.8%	\$ 500.0	\$ 500.0
4.50% Senior Notes	May 2021	June 2031	4.7%	550.0	550.0
Total debt				1,050.0	1,050.0
Unamortized issuance costs				(9.3)	(10.2)
Total carrying amount				\$ 1,040.7	\$ 1,039.8

The following table presents the fair value of our outstanding Senior Notes, which are Level 1 liabilities (in millions of dollars):

	As of June 30, 2024	As of December 31, 2023
4.625% Senior Notes	\$ 467.8	\$ 462.4
4.50% Senior Notes	\$ 487.0	\$ 474.1

Revolving Credit Facility

In October 2019, we entered into a Revolving Credit Facility. Joining us as borrowers under the Revolving Credit Facility are four of our wholly owned domestic operating subsidiaries: (i) Kaiser Aluminum Investments Company; (ii) Kaiser Aluminum Fabricated Products, LLC; (iii) Kaiser Aluminum Washington, LLC; and (iv) Kaiser Aluminum Warrick, LLC.

In April 2022, we entered into Amendment No. 3 to our Revolving Credit Facility. As amended, the Revolving Credit Facility contains a maximum commitment amount of \$575.0 million (of which up to a maximum of \$50.0 million may be utilized for letters of credit) and is set to mature in April 2027. Our effective interest rate on outstanding borrowings under the amended Revolving Credit Facility is based on the rates of Base Rate Loans and SOFR Loans (as defined in the amended Revolving Credit Facility). The rate for Base Rate Loans is equal to the prevailing Prime Rate plus 0.25%, while the rate for SOFR Loans, which are made for one or three month periods, is equal to the Term SOFR Reference Rate (as defined in the amended Revolving Credit Facility) plus 1.35%. Outstanding borrowings under the Revolving Credit Facility are reported within Long-term debt, net, on our Consolidated Balance Sheets. We had no borrowings under the Revolving Credit Facility during the six months ended June 30, 2024. As of June 30, 2024 and December 31, 2023, we had no outstanding borrowings under our Revolving Credit Facility.

The following table summarizes availability and usage of our Revolving Credit Facility as determined by a borrowing base calculated as of June 30, 2024 (in millions of dollars):

Revolving Credit Facility borrowing commitment	\$ 575.0
Borrowing base availability	\$ 575.0
Less: Outstanding borrowings under Revolving Credit Facility	—
Less: Outstanding letters of credit under Revolving Credit Facility	(27.0)
Remaining borrowing availability	\$ 548.0

Interest Expense

The following table presents interest expense relating to our Senior Notes and Revolving Credit Facility (in millions of dollars):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Senior Notes interest expense, including debt issuance cost amortization	\$ 12.4	\$ 12.4	\$ 24.8	\$ 24.8
Revolving Credit Facility interest expense, including commitment fees and finance cost amortization	0.6	1.0	1.2	1.8
Interest expense on finance lease liabilities	0.2	0.2	0.4	0.3
Interest expense capitalized as construction in progress	(2.1)	(1.5)	(3.8)	(2.9)
Total interest expense	\$ 11.1	\$ 12.1	\$ 22.6	\$ 24.0

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7. Commitments and Contingencies

Commitments. We have a variety of financial commitments, including purchase agreements, forward foreign exchange and forward sales contracts, indebtedness and letters of credit (see Note 5 and Note 6).

Environmental Contingencies. We are subject to a number of environmental laws and regulations, potential fines or penalties assessed for alleged breaches of such laws and regulations and potential claims based upon such laws and regulations. We are also subject to legacy environmental contingencies related to activities that occurred at operating facilities prior to July 6, 2006, which represent the majority of our environmental accruals. The status of these environmental contingencies are discussed below. We have established procedures for regularly evaluating environmental loss contingencies. Our environmental accruals represent our undiscounted estimate of costs reasonably expected to be incurred based on presently enacted laws and regulations, currently available facts, existing requirements, existing technology and our assessment of the likely remediation actions to be taken.

We continue to pursue remediation activities, primarily to address the historical use of oils containing polychlorinated biphenyls (“PCBs”) at Trentwood. Our remediation efforts are in collaboration with the Washington State Department of Ecology (“Ecology”), to which we submitted a feasibility study in 2012 of remediation alternatives and from which we received permission to begin certain remediation activities pursuant to a signed work order. We have completed a number of sections of the work plan and have received satisfactory completion approval from Ecology on those sections. In cooperation with Ecology, we constructed an experimental treatment facility to determine the treatability and evaluate the feasibility of removing PCBs from ground water under Trentwood. In 2015, we began treatment operations involving a walnut shell filtration system, which we optimized for maximum PCB capture during 2020. Furthermore, based on advancements in technology, we signed an Amended Agreed Order with Ecology in 2020 to evaluate and implement new technologies for PCB removal from groundwater on a pilot basis. The primary technology we are evaluating is Ultraviolet Light Advanced Oxidation Process (the “UV Process”). As the long-term success of the UV Process cannot be reasonably determined at this time, it is possible we may need to make upward adjustments to our related accruals and cost estimates as the long-term results become available.

Pursuant to a consent agreement with the Ohio Environmental Protection Agency (“OEPA”), we initiated an investigational study of Newark related to historical on-site waste disposal. During the quarter ended December 31, 2018, we submitted our remedial investigation study to the OEPA for review and approval. The final remedial investigation report was approved by the OEPA during the quarter ended December 31, 2020. We have submitted the Alternate Arrays Document (“AAD”) to the OEPA for review during the quarter ended December 31, 2023. Once the AAD is reviewed and accepted by the OEPA, we plan to submit our feasibility study to the OEPA, which we expect to occur in early 2025.

At June 30, 2024, our environmental accrual of \$15.3 million represented our estimate of the incremental remediation cost based on: (i) proposed alternatives in the final feasibility study related to Trentwood; (ii) currently available facts with respect to Newark; and (iii) facts related to certain other locations owned or formerly owned by us. In accordance with approved and proposed remediation action plans, we expect that the implementation and ongoing monitoring could occur over a period of 30 or more years.

As additional facts are developed, feasibility studies are completed, remediation plans are modified, necessary regulatory approvals for the implementation of remediation are obtained, alternative technologies are developed and/or other factors change, there may be revisions to management’s estimates and actual costs may exceed the current environmental accruals. We believe at this time that it is reasonably possible that undiscounted costs associated with these environmental matters may exceed current accruals by amounts that could be, in the aggregate, up to an estimated \$11.6 million over the remediation period. It is reasonably possible that our recorded estimate will change in the next 12 months.

Other Contingencies. We are party to various lawsuits, claims, investigations and administrative proceedings that arise in connection with past and current operations. We evaluate such matters on a case-by-case basis and our policy is to vigorously contest any such claims we believe are without merit. We accrue for a legal liability when it is both probable that a liability has been incurred and the amount of the loss is reasonably estimable. Quarterly, in addition to when changes in facts and circumstances require it, we review and adjust these accruals to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular case. While uncertainties are inherent in the final outcome of such matters and it is presently impossible to determine the actual cost that may ultimately be incurred, we believe that we have sufficiently accrued for such matters and that the ultimate resolution of pending matters will not have a material impact on our consolidated financial position, operating results or liquidity.

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8. Accumulated Other Comprehensive Income (Loss)

The following table presents the changes in the accumulated balances for each component of AOCI (in millions of dollars):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Defined Benefit Plans:				
Beginning balance	\$ 10.5	\$ 3.5	\$ 11.0	\$ 2.8
Actuarial gain (loss) arising during the period	1.4	(0.6)	1.4	(0.6)
Less: income tax (expense) benefit	(0.3)	0.1	(0.3)	0.1
Net actuarial gain (loss) arising during the period	1.1	(0.5)	1.1	(0.5)
Prior service cost arising during the period	(2.2)	(6.6)	(2.2)	(6.6)
Less: income tax benefit	0.5	1.6	0.5	1.6
Net prior service cost arising during the period	(1.7)	(5.0)	(1.7)	(5.0)
Amortization of net actuarial gain ¹	(0.2)	(0.3)	(0.5)	(0.6)
Amortization of prior service cost ¹	0.8	1.4	0.5	2.6
Less: income tax expense ²	(0.1)	(0.2)	—	(0.4)
Net amortization reclassified from AOCI to Net income	0.5	0.9	—	1.6
Other comprehensive loss, net of tax	(0.1)	(4.6)	(0.6)	(3.9)
Ending balance	\$ 10.4	\$ (1.1)	\$ 10.4	\$ (1.1)
Cash Flow Hedges:				
Beginning balance	\$ 0.5	\$ (1.4)	\$ 2.1	\$ 0.4
Unrealized gain (loss) on cash flow hedges	6.1	(9.0)	1.9	(11.6)
Less: income tax (expense) benefit	(1.4)	2.1	(0.4)	2.7
Net unrealized gain (loss) on cash flow hedges	4.7	(6.9)	1.5	(8.9)
Reclassification of unrealized (gain) loss upon settlement of cash flow hedges	(2.0)	5.5	0.1	5.7
Reclassification due to forecasted transactions probable of not occurring	0.2	—	0.2	—
Less: income tax benefit (expense) ²	0.4	(1.3)	(0.1)	(1.3)
Net (gain) loss reclassified from AOCI to Net income	(1.4)	4.2	0.2	4.4
Other comprehensive income (loss), net of tax	3.3	(2.7)	1.7	(4.5)
Ending balance ³	\$ 3.8	\$ (4.1)	\$ 3.8	\$ (4.1)
Total AOCI ending balance	\$ 14.2	\$ (5.2)	\$ 14.2	\$ (5.2)

1. Amounts amortized out of AOCI related to pension and other postretirement benefits were included within Net periodic postretirement benefit cost (see Note 3).
2. Income tax amounts reclassified out of AOCI were included as a component of Income tax provision.
3. As of June 30, 2024, we estimate a net mark-to-market gain before tax of \$3.9 million in AOCI will be reclassified into Net income upon settlement within the next 12 months.

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

9. Other (Expense) Income, Net

The following table presents the components of Other (expense) income, net (in millions of dollars):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Interest income	\$ 1.2	\$ 0.2	\$ 2.1	\$ 0.6
Net periodic postretirement benefit cost	(1.5)	(1.9)	(1.8)	(3.9)
Unrealized gain on equity securities	0.1	0.2	0.3	0.3
(Loss) gain on disposition of property, plant and equipment	(0.3)	(0.8)	(0.5)	14.2
Gain on business interruption insurance recoveries ¹	—	—	10.5	—
All other, net	—	(0.2)	(0.2)	(0.1)
Other (expense) income, net	\$ (0.5)	\$ (2.5)	\$ 10.4	\$ 11.1

¹ Represents advances against business interruption insurance claims received by the Company as of June 30, 2024. We recognize such advances in the period in which the insurance proceeds are received or become realizable.

Supply Chain Financing. We are party to several supply chain financing arrangements, in which we may sell certain of our customers' trade accounts receivable to such customers' financial institutions without recourse. During the quarter and six months ended June 30, 2024, we sold trade accounts receivable totaling \$265.3 million and \$532.4 million, respectively, related to these supply chain financing arrangements, of which our customers' financial institutions applied discount fees totaling \$6.5 million and \$12.8 million, respectively. During the quarter and six months ended June 30, 2023, we sold trade accounts receivable totaling \$323.4 million and \$626.6 million, respectively, related to these supply chain financing arrangements, of which our customers' financial institutions applied discount fees totaling \$8.0 million and \$15.2 million, respectively. To the extent discount fees related to the sale of trade accounts receivable under supply chain financing arrangements are not reimbursed by our customers, they are included in Other (expense) income, net. As of June 30, 2024, we had been and/or expected to be substantially reimbursed by our customers for these discount fees, in accordance with the underlying sales agreements.

10. Income Tax Matters

The following table presents the income tax provision by region (in millions of dollars):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Domestic	\$ (0.2)	\$ (2.5)	\$ (7.2)	\$ (7.0)
Foreign	(0.6)	(0.5)	(1.1)	(0.9)
Total	\$ (0.8)	\$ (3.0)	\$ (8.3)	\$ (7.9)

The income tax provision for the quarters ended June 30, 2024 and June 30, 2023 was \$0.8 million and \$3.0 million, respectively, reflecting an effective tax rate of 21% and 14%, respectively. The difference between the effective tax rate and the projected blended statutory tax rate for the quarter ended June 30, 2024 was primarily due to: (i) a decrease of 9% related to Federal research and development credits; (ii) a decrease of 4% related to state tax adjustments for certain state net operating losses; and (iii) a decrease of 3% for excess tax benefits from stock-based compensation, partially offset by: (i) an increase of 8% related to non-deductible compensation expense; (ii) an increase of 3% related to foreign withholding tax; (iii) an increase of 1% related to foreign taxes; and (iv) an increase of 1% related to other permanent items. The difference between the effective tax rate and the projected blended statutory tax rate for the quarter ended June 30, 2023 was primarily due to a decrease of 13% related to Federal research and development and state tax credits, partially offset by: (i) an increase of 1% related to non-deductible compensation expense; (ii) an increase of 1% related to foreign withholding tax; and (iii) an increase of 1% for the recognition of excess book benefits from stock-based compensation.

The income tax provision for the six months ended June 30, 2024 and 2023 was \$8.3 million and \$7.9 million, respectively, reflecting an effective tax rate of 23% and 19%, respectively. There was no material difference between the effective tax rate and the blended statutory tax rate for the six months ended June 30, 2024. The difference between the effective tax rate and the projected blended statutory tax rate for the six months ended June 30, 2023 was primarily due to a decrease of 9% related to Federal research and development and state tax credits, partially offset by: (i) an increase of 1% related to non-deductible compensation expense and (ii) an increase of 1% related to foreign withholding tax.

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
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Our gross unrecognized benefits relating to uncertain tax positions were \$7.2 million and \$6.5 million at June 30, 2024 and December 31, 2023, respectively, of which, \$7.2 million and \$6.5 million would be recorded through our income tax provision and thus, impact the effective tax rate at June 30, 2024 and December 31, 2023, respectively, if the gross unrecognized tax benefits were to be recognized.

We do not expect our gross unrecognized tax benefits to significantly change within the next 12 months.

11. Earnings Per Share

Basic net income per share is computed by dividing distributed and undistributed net income allocable to common shares by the weighted-average number of common shares outstanding during the applicable period. The basic weighted-average number of common shares outstanding during the period excludes non-vested share-based payment awards. Basic and diluted net income per share was calculated under the two-class method for the quarter and six months ended June 30, 2024 and the treasury method for the quarter and six months ended June 30, 2023, which was more dilutive than the two-class method.

The following table sets forth the computation of basic and diluted net income per share (in millions of dollars, except share and per share amounts):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Numerator:				
Net income available to common shareholders ¹	\$ 3.1	\$ 18.3	\$ 27.7	\$ 34.2
Denominator – Weighted-average common shares outstanding (in thousands):				
Basic	16,072	15,974	16,050	15,957
Add: dilutive effect of non-vested common shares, restricted stock units and performance shares ²	326	109	271	133
Diluted	16,398	16,083	16,321	16,090
Net income per common share, Basic:	\$ 0.19	\$ 1.14	\$ 1.72	\$ 2.14
Net income per common share, Diluted:	\$ 0.19	\$ 1.14	\$ 1.69	\$ 2.12

^{1.} Represents Net income less distributed and undistributed earnings allocated to non-vested RSAs that contain non-forfeitable rights to dividends.

^{2.} Quantities in the following discussion are denoted in whole shares. During the quarter and six months ended June 30, 2024, approximately 170 and 370 shares, respectively, were excluded from the weighted-average diluted shares computation as their inclusion would have been anti-dilutive. For the quarter and six months ended June 30, 2023, approximately 42,000 and 16,000 shares, respectively, were excluded from the weighted-average diluted shares computation as their inclusion would have been anti-dilutive.

12. Supplemental Cash Flow Information

	Six Months Ended June 30,	
	2024	2023
	(In millions of dollars)	
Interest paid	\$ 21.0	\$ 22.4
Non-cash investing and financing activities (included in Accounts payable):		
Unpaid purchases of property and equipment	\$ 32.5	\$ 15.9
Supplemental lease disclosures:		
Operating lease liabilities arising from obtaining operating lease assets	\$ 0.5	\$ 2.6
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 4.0	\$ 4.7
Finance lease liabilities arising from obtaining finance lease assets	\$ 2.0	\$ 9.1

KAISER ALUMINUM CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS – UNAUDITED

	As of June 30,	
	2024	2023
	(In millions of dollars)	
Components of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	\$ 70.4	\$ 19.8
Restricted cash included in Other assets ¹	18.3	18.6
Total cash, cash equivalents and restricted cash presented on our Statements of Consolidated Cash Flows	\$ 88.7	\$ 38.4

^{1.} We are required to keep on deposit certain amounts that are pledged or held as collateral relating to workers' compensation and other agreements. We account for such deposits as restricted cash. From time to time, such restricted funds could be returned to us or we could be required to pledge additional cash.

13. Business, Product, and Geographical Area Information

Our primary line of business is the production of semi-fabricated specialty aluminum mill products, such as plate and sheet, bare and coated coils, and extruded and drawn products, primarily used in our Aero/HS Products, Packaging, GE Products, Automotive Extrusions, and Other products end markets. We operate production facilities in the United States and Canada. Our chief operating decision maker reviews and evaluates our business as a single operating segment.

The following table presents Net sales by end market applications and by timing of control transfer (in millions of dollars):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net sales:				
Aero/HS Products	\$ 226.1	\$ 225.1	\$ 446.6	\$ 439.1
Packaging	312.4	354.7	610.5	708.9
GE Products	162.6	159.4	315.6	321.5
Automotive Extrusions	69.7	68.4	133.2	139.2
Other products	2.6	6.5	5.0	13.0
Total net sales	\$ 773.4	\$ 814.1	\$ 1,510.9	\$ 1,621.7
Timing of revenue recognition:				
Products transferred at a point in time	\$ 591.8	\$ 622.6	\$ 1,161.2	\$ 1,247.4
Products transferred over time	181.6	191.5	349.7	374.3
Total net sales	\$ 773.4	\$ 814.1	\$ 1,510.9	\$ 1,621.7

The following table presents geographic information for income taxes paid (in millions of dollars):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Income taxes paid:				
Domestic	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.3
Foreign	0.6	—	2.2	0.2
Total income taxes paid	\$ 0.8	\$ 0.2	\$ 2.4	\$ 0.5

14. Subsequent Events

Dividend Declaration. On July 15, 2024, we announced that our Board of Directors declared a quarterly cash dividend of \$0.77 per common share. As such, we expect to pay approximately \$12.7 million (including dividend equivalents) on or about August 15, 2024 to stockholders of record and the holders of certain restricted stock units at the close of business on July 25, 2024.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements which constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear throughout this Report and can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "estimates," "will," "should," "plans" or "anticipates," or the negative of the foregoing or other variations of comparable terminology, or by discussions of strategy. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties and that actual results may vary from those in the forward-looking statements as a result of various factors. These factors include: (i) the effectiveness of management's strategies and decisions, including strategic investments, capital spending strategies, cost reduction initiatives, sourcing strategies, processes and countermeasures implemented to address operational and supply chain challenges and the execution of those strategies; (ii) general economic and business conditions, including the impact of geopolitical factors and governmental and other actions taken in response, cyclical, reshoring, labor challenges, supply interruptions, customer disruptions, and other conditions that impact demand drivers in the Aero/HS Products, Packaging, GE Products, Automotive Extrusions and other end markets we serve; (iii) our ability to participate in mature and anticipated new automotive programs expected to launch in the future and successfully launch new automotive programs; (iv) changes or shifts in defense spending due to competing national priorities; (v) pricing, market conditions and our ability to effectively execute commercial and labor strategies, pass through cost increases, including the institution of surcharges, and flex costs in response to inflation, volatile commodity costs and changing economic conditions; (vi) developments in technology; (vii) the impact of our future earnings, cash flows, financial condition, capital requirements and other factors on our financial strength and flexibility; (viii) new or modified statutory or regulatory requirements; (ix) the successful integration of acquired operations and technologies and (x) stakeholders', including regulators', views regarding our sustainability goals and initiatives and the impact of factors outside of our control on such goals and initiatives. This Item and Part I, Item 1A. "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2023, each identify other factors that could cause actual results to vary. No assurance can be given that these are all of the factors that could cause actual results to vary materially from the forward looking statements.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with Part I, Item 1. "Financial Statements" of this Report and our consolidated financial statements and related notes included in Part II, Item 8. "Financial Statements and Supplementary Data" of our Annual Report on Form 10-K for the year ended December 31, 2023.

Non-GAAP Financial Measures

This information contains certain non-GAAP financial measures. A non-GAAP financial measure is defined as a numerical measure of a company's financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the statements of income, balance sheets or statements of cash flows of the company. We have provided a reconciliation of non-GAAP financial measures to the most directly comparable financial measure in the accompanying tables. We have also provided discussion of the reasons we believe that presentation of the non-GAAP financial measures provides useful information to investors, as well as any additional ways in which we use the non-GAAP financial measures. The non-GAAP financial measures used in the following discussions are Conversion Revenue (defined as Net sales less the Hedged Cost of Alloyed Metal, see below in "Metal Pricing Policies" discussion), Adjusted EBITDA and ratios related thereto. These measures are presented because management uses this information to monitor and evaluate financial results and trends and believes this information to also be useful for investors.

In the discussion of operating results below, we refer to certain items as "non-run-rate items." For purposes of such discussion, non-run-rate items are items that, while they may recur from period-to-period: (i) are particularly material to results; (ii) affect costs primarily as a result of external market factors; and (iii) may not recur in future periods if the same level of underlying performance were to occur. Non-run-rate items are part of our business and operating environment but are worthy of being highlighted for the benefit of readers of our financial statements. Our intent is to allow users of the financial statements to consider our results both in light of and separately from such items. For a reconciliation of Adjusted EBITDA to Net income, see below in "Results of Operations - Selected Operational and Financial Information." Reconciliations of certain forward-looking non-GAAP financial measures to comparable GAAP measures are not provided because certain items required for such reconciliations are outside of our control and/or cannot be reasonably predicted or provided without unreasonable effort.

Metal Pricing Policies

A fundamental part of our business model is to remain neutral to the impact from fluctuations in the market price for aluminum and certain alloys, thereby earning profit predominantly from the conversion of aluminum into semi-fabricated mill products. We refer to this as "metal price neutrality." We purchase primary, rolling ingot and scrap, or recycled, aluminum, our main raw material, and alloys at prices that fluctuate on a monthly basis, and our pricing policies generally allow us to pass the underlying index cost of

aluminum and certain alloys through to our customers so that we remain neutral to metal pricing. However, for some of our higher margin products sold on a spot basis, competitive dynamics may limit the amount and/or delay the timing of selling price increases to recover our increased aluminum and alloy costs, resulting in a lag up to several months during which we may be exposed to metal price risk. As a result, we can experience an adverse impact when aluminum and alloy prices increase, and a favorable impact to us when aluminum and alloy prices decline, as we and our competitors tend to defer adjusting pricing unless market dynamics require such in a declining metal cost environment. We may also enter into firm-price customer sales agreements that specify a firm underlying metal price plus a conversion price. Spot sales with lagged aluminum and alloy price pass through and firm-price sales agreements create price exposure for us, which we mitigate through hedging and related programs with an objective to remain metal price neutral. Additionally, we have certain contracts that may adjust certain alloy prices for a forward period based on an average prior period cost for such alloys. As a result, until the selling price resets, we can experience an adverse impact when alloy prices increase and a favorable impact when alloy prices decrease.

Our pricing policies and hedging program are intended to significantly reduce or eliminate the impact on our profitability of fluctuations in underlying price of primary, rolling ingot and scrap, or recycled, aluminum, our main raw material, and certain alloys so that our earnings are predominantly associated with the conversion of aluminum to semi-fabricated mill products. To allow users of our financial statements to consider the impact of aluminum and alloy cost on our Net sales, we disclose Net sales as well as Conversion Revenue, which is Net sales less the Hedged Cost of Alloyed Metal. As used in this discussion, “Hedged Cost of Alloyed Metal” is the cost of aluminum at the average MWTP plus the cost of alloying elements and any realized gains and/or losses on settled hedges related to the metal sold in the referenced period. The average MWTP of aluminum reflects the primary aluminum supply/demand dynamics in North America. For a reconciliation of Conversion Revenue to Net sales, see below in “Results of Operations - Selected Operational and Financial Information.”

Business Overview

We manufacture and sell semi-fabricated specialty aluminum mill products for the following end market applications: (i) Aero/HS Products; (ii) Packaging; (iii) GE Products; (iv) Automotive Extrusions; and (v) Other products. Our fabricated aluminum mill products include flat-rolled (plate, sheet and coil), extruded (rod, bar, hollows and shapes), drawn (rod, bar, pipe, tube and wire) and certain cast aluminum products. The sophistication of our products is due to the metallurgy and physical properties of the metal and the special characteristics that are required for particular end uses. We strategically choose to serve technically challenging applications for which we can deploy our core metallurgical and process technology capabilities to produce highly engineered mill products with differentiated characteristics that present opportunities for us to receive premium pricing and to create long-term profitable growth.

With respect to the global market for flat-rolled aluminum mill products, our focus is on heat treat plate and sheet for applications that require higher strength and other desired product attributes that cannot be achieved by common alloy rolled products. The primary end market applications of flat-rolled heat treat plate and sheet, which are produced at Trentwood, are Aero/HS Products (which we sell globally) and GE Products (which we predominantly sell within North America). The primary end market application of bare and coated aluminum coil, which are produced at Warrick, is Packaging for can stock applications (which we sell in North America). Our Packaging products require demanding attributes and can be further processed to include coating and slitting depending on customer specifications.

In the areas of aluminum extrusions, we focus on demanding Aero/HS Products, GE Products, and Automotive Extrusions that require high strength, machinability or other specific properties where we can create and maintain a defensible competitive position because of our technical expertise, strong production capability and high product quality. Our 10 active extrusion/drawing facilities, nine of which are in the United States and one of which is in Canada, serve primarily North American demand for aerospace, general engineering, or automotive applications. Additionally, we have a facility in Columbia, New Jersey, that focuses on multi-material advanced manufacturing methods and techniques, which include multi-axis computer numerical control machining, additive manufacturing (“3D Printing”), welding and fabrication for demanding aerospace and defense, high technology, general industrial, and automotive applications. Our consolidated Net sales for the six months ended June 30, 2024 totaled \$1,510.9 million on 587.8 million pounds shipped from our facilities. We employed approximately 4,000 people at June 30, 2024.

We have long-standing relationships with our customers, which consist primarily of blue-chip companies including leading aerospace and automotive manufacturers, tier one aerospace and automotive suppliers, food and beverage packaging manufacturers, and metal service centers. Approximately 75% of our shipments is sold direct to manufacturers or tier one suppliers and approximately 25% is sold to metal service centers. In our served markets, we seek to be the supplier of choice by pursuing “Best in Class” customer satisfaction driven by quality, availability, service and delivery performance. We believe we differentiate our product portfolio through our broad product offering and our **KaiserSelect**[®] products, which are engineered and manufactured to deliver enhanced product characteristics with improved consistency, so as to result in better performance, lower waste and, in many cases, lower production cost for our customers.

Highlights for the quarter ended June 30, 2024:

- Net sales \$773.4 million; Conversion Revenue \$368.9 million;
- Net income \$3.1 million; Net income per diluted share \$0.19;
- Strong operational performance during the quarter, despite an unplanned outage at our Warrick facility; and
- Cash dividends and dividend equivalents of \$0.77 per share or \$12.7 million paid during the quarter ended June 30, 2024.

Results of Operations***Consolidated Results of Operations***

Net Sales. Net sales totaled \$773.4 million and \$814.1 million for the quarters ended June 30, 2024 and June 30, 2023, respectively, reflecting a 17.3 million pound (6%) decrease in shipment volume and a \$0.02/lb (1%) increase in average realized sales price per pound. The shipment volume decrease reflected: (i) a 17.4 million pound (11%) decrease in Packaging; (ii) a 1.7 million pound (3%) decrease in Aero/HS Products; and (iii) a 1.7 million pound (61%) decrease in Other products, partially offset by: (i) a 3.2 million pound (6%) increase in GE Products and (ii) a 0.3 million pound (1%) increase in Automotive Extrusions. The average realized sales price per pound reflected a \$0.01/lb (1%) decrease in the average Hedged Cost of Alloyed Metal price per pound and a \$0.03/lb (2%) increase in Conversion Revenue per pound reflecting higher pricing. For further details, see the table below in “Selected Operational and Financial Information.”

Net sales totaled \$1,510.9 million and \$1,621.7 million for the six months ended June 30, 2024 and June 30, 2023, respectively, reflecting a 25.6 million pound (4%) decrease in shipment volume and a \$0.07/lb (3%) decrease in average realized sales price per pound. The shipment volume decrease reflected: (i) a 28.7 million pound (9%) decrease in Packaging; (ii) a 3.4 million pound (61%) decrease in Other products; and (iii) a 0.9 million pound (2%) decrease in Automotive Extrusions, partially offset by: (i) a 4.4 million pound (4%) increase in GE Products and (ii) a 3.0 million pound (2%) increase in Aero/HS Products. The average realized sales price per pound reflected a \$0.10/lb (7%) decrease in the average Hedged Cost of Alloyed Metal price per pound and a \$0.03/lb (2%) increase in Conversion Revenue per pound reflecting higher pricing. For further details, see the table below in “Selected Operational and Financial Information.”

COGS. COGS for the quarter ended June 30, 2024 totaled \$690.5 million, or 89% of Net sales, compared to \$718.4 million, or 88% of Net sales, for the quarter ended June 30, 2023. The decrease of \$27.9 million reflected a \$31.2 million decrease in Hedged Cost of Alloyed Metal, partially offset by a \$3.3 million increase in net manufacturing conversion and other costs. Of the \$31.2 million decrease in Hedged Cost of Alloyed Metal, \$24.0 million was due to lower shipment volume and \$7.2 million was due to lower hedged metal prices (see above in our “Net Sales” discussion for further details). The \$3.3 million increase in net manufacturing conversion and other costs primarily reflected: (i) a \$5.5 million decrease in costs associated with a reduction in pounds shipped during the quarter, more than offset by; (ii) a \$4.5 million net increase in manufacturing costs attributable to an \$11.7 million increase in non-cash LIFO inventory expense, partially offset by improved metal sourcing and operating efficiencies; (iii) a \$2.6 million increase in energy costs; and (iv) a \$1.7 million increase in major maintenance costs driven by timing of annual planned maintenance programs. For a further discussion of the comparative results of operations for the quarters ended June 30, 2024 and June 30, 2023, see below in “Selected Operational and Financial Information.”

COGS for the six months ended June 30, 2024 totaled \$1,333.4 million or 88% of Net sales, compared to \$1,449.5 million, or 89% of Net sales, for the six months ended June 30, 2023. The decrease of \$116.1 million reflected a \$98.9 million decrease in Hedged Cost of Alloyed Metal and a \$17.2 million decrease in net manufacturing conversion and other costs. Of the \$98.9 million decrease in Hedged Cost of Alloyed Metal, \$62.3 million was due to lower hedged metal prices and \$36.6 million was due to lower shipment volume (see above in our “Net Sales” discussion for further details). The \$17.2 million decrease in net manufacturing conversion and other costs primarily reflected: (i) an \$18.8 million decrease in costs associated with a reduction in pounds shipped, and (ii) a \$5.7 million decrease in major maintenance costs driven by timing of annual planned maintenance programs, partially offset by: (i) a \$5.6 million net increase in manufacturing costs, primarily attributable to an \$8.5 million increase in non-cash LIFO inventory expense, partially offset by improved metal sourcing and manufacturing efficiencies and (ii) a \$1.7 million increase in energy costs. For a further discussion of the comparative results of operations for the six months ended June 30, 2024 and June 30, 2023, see below in “Selected Operational and Financial Information.”

Selling, General, Administrative, Research and Development (“SG&A and R&D”). SG&A and R&D expense totaled \$31.6 million and \$32.2 million for the quarters ended June 30, 2024 and June 30, 2023, respectively, and \$64.2 million and \$61.9 million for the six months ended June 30, 2024 and June 30, 2023, respectively. The decrease during the quarter ended June 30, 2024 was primarily due to: (i) a \$0.5 million decrease in legal fees; (ii) a \$0.3 million decrease in salaries, benefits, and incentive compensation; and (iii) a \$0.3 million decrease in other SG&A and R&D expenses, partially offset by a \$0.5 million increase in consulting and outsourced services.

The increase for the six months ended June 30, 2024 compared with June 30, 2023 was primarily due to: (i) a \$2.6 million increase in salaries, benefits, and incentive compensation and (ii) a \$0.6 million increase in consulting and outsourced services, partially offset by: (i) a \$0.5 million decrease in legal fees and (ii) a \$0.3 million decrease in other SG&A and R&D expenses.

Restructuring Costs. Restructuring costs of \$6.8 million and \$1.2 million for the quarters ended June 30, 2024 and June 30, 2023, respectively, and \$6.9 million and \$2.6 million for the six months ended June 30, 2024 and June 30, 2023, respectively, related to our restructuring plans initiated in 2022 and 2024. See Note 4 of Notes to Interim Consolidated Financial Statements included in this Report for further information regarding the restructuring plans.

Other Operating Charges, Net. Other operating charges of \$0.4 million for the six months ended June 30, 2024 represents an impairment charge on land classified as held for sale during the quarter ended March 31, 2024.

Interest Expense. See Note 6 of Notes to Interim Consolidated Financial Statements included in this Report for a discussion of our debt and credit facilities that were in effect during the quarters and six months ended June 30, 2024 and June 30, 2023 and interest expense capitalized as part of construction in progress.

Other Income, Net. See Note 9 of Notes to Interim Consolidated Financial Statements included in this Report for details.

Income Tax Provision. See Note 10 of Notes to Interim Consolidated Financial Statements included in this Report for disclosure regarding our income tax provision.

Selected Operational and Financial Information

The following data should be read in conjunction with our consolidated financial statements and the notes thereto included in Part I, Item 1. “Financial Statements” of this Report. Interim results are not necessarily indicative of those for a full year.

The table below provides selected operational and financial information (in millions of dollars):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 3.1	\$ 18.3	\$ 27.7	\$ 34.2
Interest expense	11.1	12.1	22.6	24.0
Other income, net	0.5	2.5	(10.4)	(11.1)
Income tax provision	0.8	3.0	8.3	7.9
Depreciation and amortization	29.0	26.4	57.8	52.7
Non-run-rate items:				
Restructuring costs	6.8	1.2	6.9	2.6
Mark-to-market loss on derivative instruments ¹	2.2	0.2	2.2	0.1
Non-cash asset impairment charge	—	—	0.4	—
Environmental expenses ²	—	—	0.4	—
Total non-run-rate items	9.0	1.4	9.9	2.7
Adjusted EBITDA	\$ 53.5	\$ 63.7	\$ 115.9	\$ 110.4

^{1.} Mark-to-market loss on derivative instruments represents the loss on non-designated commodity hedges. Adjusted EBITDA reflects the realized impact related to these derivatives upon settlement.

^{2.} Non-run-rate environmental expenses are related to legacy contingencies from activities at operating facilities prior to July 6, 2006. See Note 7 of Notes to Interim Consolidated Financial Statements included in this Report for additional information relating to the environmental expenses.

Adjusted EBITDA for the quarter ended June 30, 2024 was \$10.2 million lower than Adjusted EBITDA for the quarter ended June 30, 2023. Adjusted EBITDA for the quarter ended June 30, 2024 was impacted by: (i) a decrease in shipment volume; (ii) an increase in costs, primarily attributable to non-cash LIFO inventory expenses partially offset by improved metal sourcing and manufacturing efficiencies; (iii) an increase in energy cost; and (iv) an increase in major maintenance. See above in “Consolidated Results of Operations” for further details.

Adjusted EBITDA for the six months ended June 30, 2024 was \$5.5 million higher than Adjusted EBITDA for the six months ended June 30, 2023. Adjusted EBITDA for the six months ended June 30, 2024 was impacted by: (i) improved pricing and mix; (ii) a decrease in major maintenance driven by timing of annual planned maintenance programs, partially offset by: (i) a decrease in shipment

volume and (ii) an increase in costs, primarily attributable to non-cash LIFO inventory expenses partially offset by improved metal sourcing and manufacturing efficiencies. See above in “Consolidated Results of Operations” for further details.

The following table provides our shipment and Conversion Revenue information (in millions of dollars, except shipments and Conversion Revenue per pound) by end market applications:

	Quarter Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
Aero/HS Products:								
Shipments (mmlbs)	62.2		63.9		125.1		122.1	
	\$	\$ / lb	\$	\$ / lb	\$	\$ / lb	\$	\$ / lb
Net sales	\$ 226.1	\$ 3.64	\$ 225.1	\$ 3.52	\$ 446.6	\$ 3.57	\$ 439.1	\$ 3.60
Less: Hedged Cost of Alloyed Metal	(92.7)	(1.50)	(94.6)	(1.48)	(176.7)	(1.41)	(186.2)	(1.53)
Conversion Revenue	\$ 133.4	\$ 2.14	\$ 130.5	\$ 2.04	\$ 269.9	\$ 2.16	\$ 252.9	\$ 2.07
Packaging:								
Shipments (mmlbs)	145.9		163.3		288.3		317.0	
	\$	\$ / lb	\$	\$ / lb	\$	\$ / lb	\$	\$ / lb
Net sales	\$ 312.4	\$ 2.14	\$ 354.7	\$ 2.17	\$ 610.5	\$ 2.12	\$ 708.9	\$ 2.24
Less: Hedged Cost of Alloyed Metal	(193.5)	(1.33)	(221.0)	(1.35)	(373.6)	(1.30)	(442.0)	(1.40)
Conversion Revenue	\$ 118.9	\$ 0.81	\$ 133.7	\$ 0.82	\$ 236.9	\$ 0.82	\$ 266.9	\$ 0.84
GE Products:								
Shipments (mmlbs)	59.5		56.3		117.6		113.2	
	\$	\$ / lb	\$	\$ / lb	\$	\$ / lb	\$	\$ / lb
Net sales	\$ 162.6	\$ 2.73	\$ 159.4	\$ 2.83	\$ 315.6	\$ 2.68	\$ 321.5	\$ 2.84
Less: Hedged Cost of Alloyed Metal	(80.0)	(1.34)	(78.2)	(1.39)	(152.8)	(1.30)	(160.4)	(1.42)
Conversion Revenue	\$ 82.6	\$ 1.39	\$ 81.2	\$ 1.44	\$ 162.8	\$ 1.38	\$ 161.1	\$ 1.42
Automotive Extrusions:								
Shipments (mmlbs)	28.1		27.8		54.6		55.5	
	\$	\$ / lb	\$	\$ / lb	\$	\$ / lb	\$	\$ / lb
Net sales	\$ 69.7	\$ 2.47	\$ 68.4	\$ 2.46	\$ 133.2	\$ 2.44	\$ 139.2	\$ 2.51
Less: Hedged Cost of Alloyed Metal	(36.7)	(1.30)	(38.0)	(1.37)	(69.1)	(1.27)	(77.6)	(1.40)
Conversion Revenue	\$ 33.0	\$ 1.17	\$ 30.4	\$ 1.09	\$ 64.1	\$ 1.17	\$ 61.6	\$ 1.11
Other Products:								
Shipments (mmlbs)	1.1		2.8		2.2		5.6	
	\$	\$ / lb	\$	\$ / lb	\$	\$ / lb	\$	\$ / lb
Net sales	\$ 2.6	\$ 2.36	\$ 6.5	\$ 2.32	\$ 5.0	\$ 2.27	\$ 13.0	\$ 2.32
Less: Hedged Cost of Alloyed Metal	(1.6)	(1.45)	(3.8)	(1.36)	(2.9)	(1.32)	(7.7)	(1.37)
Conversion Revenue	\$ 1.0	\$ 0.91	\$ 2.7	\$ 0.96	\$ 2.1	\$ 0.95	\$ 5.3	\$ 0.95
Total:								
Shipments (mmlbs)	296.8		314.1		587.8		613.4	
	\$	\$ / lb	\$	\$ / lb	\$	\$ / lb	\$	\$ / lb
Net sales	\$ 773.4	\$ 2.61	\$ 814.1	\$ 2.59	\$ 1,510.9	\$ 2.57	\$ 1,621.7	\$ 2.64
Less: Hedged Cost of Alloyed Metal ¹	(404.5)	(1.37)	(435.6)	(1.38)	(775.1)	(1.32)	(873.9)	(1.42)
Conversion Revenue	\$ 368.9	\$ 1.24	\$ 378.5	\$ 1.21	\$ 735.8	\$ 1.25	\$ 747.8	\$ 1.22

1. Hedged Cost of Alloyed Metal for the quarters ended June 30, 2024 and June 30, 2023 included \$408.0 million and \$428.8 million, respectively, reflecting the cost of aluminum at the average MWTP and the cost of certain alloys used in the production process, as well as metal price exposure on shipments that we hedged with realized gains upon settlement of \$3.5 million and realized losses upon settlement of \$6.8 million in the quarters ended June 30, 2024 and June 30, 2023, respectively, all of which were included within both Net sales and COGS in our Statements of Consolidated Income. Hedged Cost of Alloyed Metal for the six months ended June 30, 2024 and June 30, 2023 included \$775.1 million and \$865.6 million, respectively, reflecting the cost of aluminum at the average MWTP and the cost of certain alloys used in the production process, as well as metal price exposure on shipments that we hedged with realized losses upon settlement of \$8.3 million in the six months ended June 30, 2023, all of which were included within both Net sales and COGS in our Statements of Consolidated Income. There were no gains or losses upon settlement for the six months ended June 30, 2024. See Note 5 of Notes to Consolidated Financial Statements included in this Report for the total realized loss on aluminum hedges for which we hedged the metal price exposure externally.

Outlook

We expect demand across our end markets in 2024 to remain relatively consistent with 2023 with the potential for modest upside. In the Aero/HS Products end market, we remain cautious on our near-term outlook for commercial aerospace, primarily related to expected 2024 build rates for domestic, large commercial jets, resulting in lower shipments and conversion revenue year-over-year. Our diversification strategy in this end market positions us as a key supplier in other Aero/HS Product applications, all of which remains strong. In the Packaging end market, shipments are expected to improve for the rest of the year, along with improved pricing and product mix. In the GE Products and Automotive Extrusions end markets, seasonality and summer shutdowns, respectively, are expected to result in a slight headwind on shipments for the rest of the year.

Accordingly, for the full year 2024, we expect conversion revenue to be flat to up 1% and Adjusted EBITDA margins to improve 50 to 100 basis points over 2023. Our focus remains on stabilizing overall operations, improving manufacturing efficiencies, lowering operational costs, and positioning for long-term growth.

Liquidity and Capital Resources

Summary

The following table summarizes our liquidity (in millions of dollars):

	As of June 30, 2024	As of December 31, 2023
Available cash and cash equivalents	\$ 70.4	\$ 82.4
Borrowing availability under Revolving Credit Facility, net of letters of credit ¹	548.0	516.7
Total liquidity	\$ 618.4	\$ 599.1

1. Borrowing availability under the Revolving Credit Facility was determined by a borrowing base calculated as of June 30, 2024 and December 31, 2023.

We place our cash in bank deposits with high credit quality financial institutions. See Note 12 of Notes to Interim Consolidated Financial Statements included in this Report for information regarding restricted cash at June 30, 2024.

We had no outstanding borrowings as of June 30, 2024 and December 31, 2023 under our Revolving Credit Facility. See below in “Sources of Liquidity” for a further discussion of subsequent borrowing activity. See Note 6 of Notes to Interim Consolidated Financial Statements included in this Report.

Cash Flows

The following table summarizes our cash flows from operating, investing, and financing activities (in millions of dollars):

	Six Months Ended June 30,	
	2024	2023
Total cash provided by (used in):		
Operating activities	\$ 89.6	\$ 47.8
Investing activities	\$ (73.6)	\$ (67.7)
Financing activities	\$ (28.0)	\$ (13.0)

Cash provided by operating activities for the six months ended June 30, 2024 reflected results of business activity described above in our “Consolidated Results of Operations” discussion, as well as the following working capital changes: (i) an increase in trade and other receivables of \$46.2 million primarily due to higher metal costs; (ii) a decrease in inventory of \$22.6 million, excluding non-cash LIFO impact, due to continued focus on inventory management; (iii) an increase in accounts payable of \$16.1 million primarily due to the timing of payments; and (iv) an increase in prepaid expenses and other current assets of \$10.9 million.

Cash provided by operating activities for the six months ended June 30, 2023 reflected results of business activity described above in our “Consolidated Results of Operations” discussion, as well as the following working capital changes: (i) a decrease in accounts payable of \$56.0 million primarily due to a decrease in metal purchases and timing of payments; (ii) a decrease in inventory of \$31.5 million, excluding non-cash LIFO impact, due to increased focus on inventory management; and (iii) an increase in trade and other receivables of \$17.8 million primarily due to increased pricing and an increase in metal costs.

See Statements of Consolidated Cash Flows included in this Report for further details on our cash flows from operating, investing, and financing activities for the six months ended June 30, 2024 and June 30, 2023.

Sources of Liquidity

Our most significant sources of liquidity include available cash and cash equivalents, borrowing availability under the Revolving Credit Facility, and funds generated from operations. We believe we have sufficient liquidity to fund our operations and meet our short-term and long-term obligations.

Our Revolving Credit Facility and Senior Notes have covenants that, we believe, allow us to operate our business with limited restrictions and significant flexibility for the foreseeable future. We do not believe that covenants contained in the Revolving Credit Facility are reasonably likely to limit our ability to raise additional debt or equity should we choose to do so during the next 12 months, nor do we believe it is likely that during the next 12 months we will trigger the availability threshold that would require measuring and maintaining a fixed charge coverage ratio.

At July 22, 2024, we had no outstanding borrowings under the Revolving Credit Facility. See Note 9 of Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2023 for a description of our Revolving Credit Facility.

We engage in certain customer-based supply chain financing programs to accelerate the receipt of payment for outstanding accounts receivable from certain customers. Costs of these programs are typically reimbursed to us by the customer. Receivables transferred under these customer-based supply chain financing programs generally meet the requirements to be accounted for as sales resulting in the derecognition of such receivables from our consolidated balance sheets. Receivables involved with these customer-based supply chain finance programs for the quarter ended June 30, 2024 constituted approximately 35% of our Net sales. See Note 9 of Notes to Interim Consolidated Financial Statements included in this Report for further details with respect to these supply chain financing programs.

Material Cash Requirements

See Note 9 of Notes to Consolidated Financial Statements included in Part II, Item 8. “Financial Statements and Supplementary Data” in our Annual Report on Form 10-K for the year ended December 31, 2023 for mandatory principal and cash interest payments on the outstanding borrowings.

We do not believe that covenants in the indentures governing the Senior Notes are reasonably likely to limit our ability to obtain additional debt or equity financing should we choose to do so during the next 12 months.

Except as otherwise disclosed in this Report, there has been no material change in our material cash requirements from significant contractual obligations, commercial commitments, or off-balance sheet arrangements other than in the ordinary course of business since December 31, 2023.

Capital Expenditures and Investments

We strive to strengthen our competitive position across our end markets through strategic capital investment. Significant investments over the past decade have positioned us well with increased capacity and expanded manufacturing capabilities while more recent capital projects have focused on further enhancing manufacturing cost efficiency, improving product quality and promoting operational security, which we believe are critical to maintaining and strengthening our position in an increasingly competitive market

environment. A significant portion of our capital spending over the past several years related to the modernization project at Trentwood, which focused on equipment upgrades throughout the process flow to reduce conversion costs, increase efficiency, and further improve our competitive cost position on all products produced at Trentwood. In addition, a significant portion of the investment also focused on modernizing legacy equipment and the process flow for thin gauge plate to achieve **KaiserSelect**[®] quality enhancements for these Aero/HS Products and GE Products. These improvements have allowed us to gain incremental manufacturing capacity to enable future sales growth. We continue spending on our previously announced capital project to add a fourth roll coat line at Warrick to increase our capacity for higher margin coated packaging product.

Our capital investment plans remain focused on supporting demand growth through capacity expansion, sustaining our operations, enhancing product quality and increasing operating efficiencies. We anticipate total capital spending in 2024 of approximately \$170.0 million to \$190.0 million, the majority of which will be focused on growth initiatives, primarily reflecting investment in the new roll coat line at Warrick, which we anticipate will be approximately \$100 million. We expect to continue to deploy capital thoughtfully so that investment decisions align with demand expectations in order to maximize the earnings potential of the business and maintain financial strength and flexibility.

Capital investments will be funded using cash generated from operations, available cash and cash equivalents, borrowings under the Revolving Credit Facility and/or other third-party financing arrangements. The level of anticipated capital expenditures may be adjusted from time to time depending on our business plans, our price outlook for fabricated aluminum products, our ability to maintain adequate liquidity, and other factors. No assurance can be provided as to the timing of any such expenditures or the operational benefits expected therefrom.

Dividends

We have consistently paid a quarterly cash dividend since the second quarter of 2007 to holders of our common stock, including holders of restricted stock. Nevertheless, as in the past, the future declaration and payment of dividends, if any, will be at the discretion of our Board of Directors and will depend on a number of factors, including our financial and operating results, including the availability of surplus and/or net profits, liquidity position, anticipated cash requirements and contractual restrictions under our Revolving Credit Facility, the indentures for our Senior Notes or other indebtedness we may incur in the future. We can give no assurance that dividends will be declared and paid in the future.

We also pay quarterly dividend equivalents to the holders of certain restricted stock units. Holders of performance shares are not paid a quarterly dividend equivalent, but instead are entitled to receive, in connection with the issuance of underlying shares of common stock for performance shares that ultimately vest, a one-time payment equal to the dividends such holders would have received if the number of such shares of common stock so issued had been held of record by such holders from the date of grant of such performance shares through the date of such issuance.

See our Statements of Consolidated Stockholders' Equity and Note 14 of Notes to Interim Consolidated Financial Statements included in this Report for information regarding dividends paid during the quarters ended June 30, 2024 and June 30, 2023, and declared subsequent to June 30, 2024.

Repurchases of Common Stock

We suspended share repurchases as of March 2020. We will continue to assess share repurchases as a part of our capital allocation priorities and strategic investment opportunities identified to support further growth in our business. At June 30, 2024, \$93.1 million remained authorized and available for future repurchases of common stock under our stock repurchase program.

See our Statements of Consolidated Stockholders' Equity included in this Report for information regarding minimum statutory tax withholding obligations arising during the quarters ended June 30, 2024 and June 30, 2023 in connection with the vesting of non-vested shares, restricted stock units, and performance shares.

Critical Accounting Estimates and Policies

Our consolidated financial statements are prepared in accordance with GAAP. In connection with the preparation of our financial statements, we are required to make assumptions and estimates about future events and apply judgments that affect the reported amounts of assets, liabilities, revenue and expenses and the related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that management believes to be relevant at the time our consolidated financial statements are prepared. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates and such differences could be material.

Our significant accounting policies are discussed in Note 1 of Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2023. We discuss our critical accounting estimates in Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes in our critical accounting estimates and policies since December 31, 2023.

New Accounting Pronouncements

Information regarding new accounting pronouncements is included in Note 1 of our Consolidated Financial Statements in this Form 10-Q.

Availability of Information

We file Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, Proxy Statements, any amendments to those reports and statements and other information with the SEC. You may obtain the documents that we file electronically from the SEC’s website at <http://www.sec.gov>. Our filings with the SEC are made available free of charge on our website at <http://www.kaiseraluminum.com> as soon as reasonably practicable after we file or furnish the materials with the SEC. News releases, announcements of upcoming earnings calls and events in which our management participates or hosts with members of the investment community and an archive of webcasts of such earnings calls and investor events and related investor presentations, are also available on our website. Information on our website is not incorporated into this Form 10-Q unless expressly noted.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The following quantitative and qualitative disclosures about market risk should be read in conjunction with Note 5 and Note 8 of Notes to Interim Consolidated Financial Statements included in this Report. Our operating results are sensitive to changes in the prices of primary aluminum, certain alloying metals, natural gas, electricity, and foreign currency, and also depend to a significant degree upon the volume and mix of products sold to customers. We have historically utilized hedging transactions to lock in a specified price or range of prices for certain products which we sell or consume in our production process, and to mitigate our exposure to changes in energy prices.

Aluminum

During the six months ended June 30, 2024 and June 30, 2023, settlements of derivative contracts were for 79.1 million pounds and 106.7 million pounds, respectively, of hedged shipments sold on pricing terms that created aluminum price risk for us. At June 30, 2024, we had derivative contracts with respect to approximately 45.9 million and 16.5 million pounds to hedge sales to be made in the remainder of 2024 and 2025, respectively, on pricing terms that create aluminum price risk for us.

Based on the aluminum derivative positions held by us to hedge firm-price customer sales agreements, we estimate that a \$0.10/lb decrease in the LME market price of aluminum as of June 30, 2024 and December 31, 2023, with all other variables held constant, would have resulted in an unrealized mark-to-market loss of \$6.2 million and \$6.3 million, respectively, with corresponding changes to the net fair value of our aluminum derivative positions. Additionally, we estimate that a \$0.05/lb decrease in the Midwest premium for aluminum as of June 30, 2024 and December 31, 2023, with all other variables held constant, would have resulted in an unrealized mark-to-market loss of \$1.7 million and \$1.4 million, respectively, with corresponding changes to the net fair value of our aluminum derivative positions.

Alloying Metals

We are exposed to the risk of fluctuating prices of certain alloying metals, especially copper, zinc, and magnesium, to the extent that changes in their prices do not highly correlate with price changes for aluminum. Copper, zinc, magnesium, and certain other metals are used in our remelt operations to cast rolling ingot and extrusion billet with the proper chemistry for our products. From time to time, we enter into forward contract swaps and/or physical delivery commitments with third parties to mitigate our risk from fluctuations in the prices of these alloys. As of June 30, 2024, we had forward swap contracts with settlement dates designed to align with the timing of scheduled purchases of zinc and copper by our manufacturing facilities. We estimate that a \$0.10/lb decrease in the market price of zinc and copper as of June 30, 2024 and December 31, 2023, with all other variables held constant, would have resulted in an unrealized mark-to-market loss of \$1.0 million and \$0.8 million, respectively, with corresponding changes to the net fair value of our zinc and copper derivative positions.

Energy

We are exposed to the risk of fluctuating prices for natural gas and electricity. We, from time to time, in the ordinary course of business, enter into hedging transactions and/or firm price physical delivery commitments with third parties to mitigate our risk from fluctuations in natural gas and electricity prices. We estimate that a \$1.00 per mmbtu decrease in natural gas prices would have resulted in an unrealized mark-to-market loss of \$3.2 million and \$3.4 million as of June 30, 2024 and December 31, 2023, respectively, with corresponding changes to the net fair value of our natural gas derivative positions. We estimate that a \$5.00 per Mwh decrease in electricity prices would have resulted in an unrealized mark-to-market loss of \$0.6 million and \$0.3 million as of June 30, 2024 and December 31, 2023, respectively, with corresponding changes to the net fair value of our electricity derivative positions.

Foreign Currency

As of June 30, 2024, we have hedged the foreign currency exchange rate risk related to certain lease transactions and equipment purchases denominated in Euros and British Pounds using forward swap contracts with settlement dates through January 2026. We estimate that a 10% decrease in the exchange rate of our hedged foreign currencies to U.S. dollars would have resulted in an unrealized mark-to-market loss of \$1.2 million and \$1.9 million as of June 30, 2024 and December 31, 2023, respectively, with corresponding changes to the net fair value of our foreign currency derivative positions.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Securities Exchange Act of 1934 is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the principal executive officer and principal financial officer, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. An evaluation of the effectiveness of the design and operation of our disclosure controls and procedures was performed as of the end of the period covered by this Report under the supervision of and with the participation of our management, including the principal executive officer and principal financial officer. Based on that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of June 30, 2024 at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting. We had no changes in our internal control over financial reporting during the six months ended June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. *Legal Proceedings*

Reference is made to Part I, Item 3. “Legal Proceedings” included in our Annual Report on Form 10-K for the year ended December 31, 2023 for information concerning material legal proceedings with respect to the Company. There have been no material developments since December 31, 2023.

Item 1A. *Risk Factors*

Reference is made to Part I, Item 1A. “Risk Factors” included in our Annual Report on Form 10-K for the year ended December 31, 2023 for information concerning risk factors. There have been no material changes in risk factors since December 31, 2023.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

The following table provides information regarding our repurchases of our common shares during the quarter ended June 30, 2024:

	Equity Incentive Plan		Stock Repurchase Plan		Maximum Dollar Value of Shares that May Yet Be Purchased Under the Programs (millions) ²
	Total Number of Shares Purchased ¹	Average Price per Share	Total Number of Shares Purchased ²	Average Price per Share	
April 1, 2024 - April 30, 2024	5,305	\$ 89.98	—	\$ —	\$ 93.1
May 1, 2024 - May 31, 2024	—	—	—	—	93.1
June 1, 2024 - June 30, 2024	1,758	94.93	—	—	93.1
Total	7,063	\$ 91.21	—	\$ —	n/a

- ^{1.} Under our equity incentive plan, participants may elect to have us withhold common shares to satisfy minimum statutory tax withholding obligations arising from the recognition of income and the vesting of restricted stock, restricted stock units, and performance shares. When we withhold these shares, we are required to remit to the appropriate taxing authorities the market price of the shares withheld by us on the date of withholding. The withholding of common shares by us could be deemed a purchase of such common shares.
- ^{2.} In September 2018, our Board of Directors authorized us to repurchase an indeterminate number of shares of our common stock at an aggregate market value of up to \$100.0 million. At June 30, 2024, \$93.1 million remained available to repurchase our common shares pursuant to the stock repurchase program. The September 2018 authorization does not have an expiration date.

Item 3. *Defaults Upon Senior Securities*

None.

Item 4. *Mine Safety Disclosures*

Not applicable.

Item 5. *Other Information*

Rule 10b5-1 Trading Arrangements. During the quarter ended June 30, 2024, no director or officer of the Company adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" as each term is defined in Item 408 of Regulation S-K.

***Item 6. Exhibits**

Exhibit No.	Exhibit Description	Provided Herewith	Incorporated by Reference			
			Form	File Number	Exhibit	Filing Date
10.1	Kaiser Aluminum Corporation 2021 Equity and Incentive Compensation Plan (Amended and Restated Effective June 11, 2024)		8-K	001-09447	10.1	June 11, 2024
10.2	Description of Compensation of Directors	X				
31.1	Certification of Keith A. Harvey pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X				
31.2	Certification of Neal E. West pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X				
32.1	Certification of Keith A. Harvey pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X				
32.2	Certification of Neal E. West pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X				
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document					
101.SCH	Inline XBRL Taxonomy Extension Schema	X				
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	X				

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

KAISER ALUMINUM CORPORATION

/s/ Neal E. West

Neal E. West

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ Vijai Narayan

Vijai Narayan

Vice President and Chief Accounting Officer
(Principal Accounting Officer)

Date: July 25, 2024

COMPENSATION OF DIRECTORS

Effective as of June 11, 2024

Each non-employee director of Kaiser Aluminum Corporation (the “Company”) shall receive:

- an annual retainer of \$90,000 per year; and
- an annual grant of restricted stock having a value equal to \$140,000.

If the number of the Company’s board or committee meetings during the year exceeds a reasonable number of expected meetings, the Company shall pay an additional meeting fee of \$1,500 per day for each meeting attended in person and \$750 per day for each meeting attended by phone or virtually to each affected member of the board or committee for each meeting in excess.

In addition, the Lead Independent Director shall receive an annual retainer of \$30,000; each non-employee director shall receive \$7,500 for each board committee, other than the audit committee, on which the non-employee director serves or \$15,000 for each board committee, other than the audit committee, of which the non-employee director serves as the committee chairperson; and each non-employee director shall receive \$12,000 for serving on the audit committee or \$22,000 for serving as the audit committee chairperson.

Each non-employee director may elect to receive shares of common stock, par value \$0.01 per share, of the Company in lieu of any or all of the non-employee director’s annual retainer, including any additional annual retainer for service as the Lead Independent Director, committee chairperson and/or committee member.

The payment of annual retainers (including any additional annual retainers) and the annual grant of restricted stock shall be made each year on the date on which the Company holds its annual meeting of stockholders or such other date as the Board may determine. The number of shares of common stock to be received in the grant of restricted stock, as well as the number of shares of common stock to be received by any non-employee director electing to receive common stock in lieu of any or all of his or her payment of annual retainer (including any additional annual retainer), shall be based on the average closing price per share of common stock for the 20 trading days prior to the date such grant and payments are made.

The Company shall reimburse all directors for travel and other disbursements relating to meetings of the Board and committees thereof, and non-employee directors shall be provided accident insurance with respect to Company-related business travel.

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Keith A. Harvey, certify that:

1. I have reviewed this report on Form 10-Q of Kaiser Aluminum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Keith A. Harvey

Keith A. Harvey

President and Chief Executive Officer

(Principal Executive Officer)

Date: July 25, 2024

**CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Neal E. West, certify that:

1. I have reviewed this report on Form 10-Q of Kaiser Aluminum Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Neal E. West

Neal E. West

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

Date: July 25, 2024

**CERTIFICATION PURSUANT TO
18 U.S.C. 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

July 25, 2024

In connection with the Quarterly Report on Form 10-Q by Kaiser Aluminum Corporation, a Delaware corporation (the “Company”), for the quarter ended June 30, 2024 (the “Report”), as filed on the date hereof with the Securities and Exchange Commission, the undersigned, Keith A. Harvey, President and Chief Executive Officer of the Company, does hereby certify, pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to such officer’s knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this certification as of the date first above written.

/s/ Keith A. Harvey

Keith A. Harvey
President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

July 25, 2024

In connection with the Quarterly Report on Form 10-Q by Kaiser Aluminum Corporation, a Delaware corporation (the “Company”), for the quarter ended June 30, 2024 (the “Report”), as filed on the date hereof with the Securities and Exchange Commission, the undersigned, Neal E. West, Executive Vice President and Chief Financial Officer of the Company, does hereby certify, pursuant to 18 U.S.C. 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to such officer’s knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

IN WITNESS WHEREOF, the undersigned has executed this certification as of the date first above written.

/s/ Neal E. West

Neal E. West

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)
