Elkem ASA – Weaker than expected development in 2Q-2019

Oslo, 13 June 2019

Elkem's guiding for the second quarter 2019 was an improvement in financial performance compared to first quarter, mainly due to cost improvements and better market conditions for silicones.

Elkem's accelerated improvement programme proceeds according to plan and is expected to reach the target of NOK 500 million in 2019. However, the silicones market has developed significantly weaker than expected, following the new tariffs on US imports from China. Additional tariffs were introduced early May and has negatively impacted the silicones end markets, particularly in China, and resulted in lower prices and weaker demand.
In addition, the Roussillon upstream silicones plant in France has had a delayed restart after the maintenance stop in May. The weaker market conditions in China and the production problems in France, will give a weaker than expected result for the Silicones division. Also, the market sentiment continues to be weak for silicon metal and ferrosilicon.

In the first quarter Elkem reported EBITDA of NOK 852 million. The result for the second quarter is estimated to be approximately 25% weaker than the first quarter.

This information is subject to the disclosure requirements pursuant to section 5-12 of the Norwegian Securities Trading Act.

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About Elkem ASA
Founded in 1904, Elkem is one of the world's leading suppliers of silicon-based advanced materials with operations throughout the value chain from quartz to specialty silicones, as well as attractive market positions in specialty ferrosilicon alloys and carbon materials. Elkem is a publicly listed company on the Oslo Stock Exchange, and is headquartered in Oslo. The company has 6200 employees with 27 production sites and sales offices in a total of 28 countries worldwide. In 2018 Elkem had revenues of 25.9 billion NOK. To learn more, please visit www.elkem.com