



Elkem ASA - A record fourth quarter concludes Elkem's best year ever

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In the fourth quarter 2021, Elkem has again delivered new record results. Strong market conditions, combined with an integrated business model and attractive market positions, have provided the basis for Elkem's best year ever. The board of directors has proposed a dividend of NOK 3.00 per share, representing 41% of the profit for 2021.

Elkem's total operating income for the fourth quarter 2021 was NOK 10,397 million, which was all-time high and up 46% from the corresponding quarter last year. For the full year, Elkem's operating income reached NOK 33,717 million. Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to NOK 3,059 million in the quarter, which was more than three times higher than fourth quarter 2020. EBITDA for the full year amounted to NOK 7,791 million.

Earnings per share (EPS) was NOK 3.11 in the quarter, and NOK 7.49 YTD-2021. The board of directors has proposed a dividend of NOK 3.00 per share, representing 41% of the profit for 2021. The dividend is subject to approval from the annual general meeting on 27 April 2022.

"We are pleased to present the fourth consecutive quarter with record result for Elkem in 2021, and our best annual result ever. Elkem is benefitting from strong cost and market positions systematically built up over time through continuous improvement and deliberate strategic choices. Our results are also a testament to good deliveries from our entire global team. Going into 2022, we continue to see a strong demand for Elkem's products, driven by the group's strong market positions. Our integrated value chain is providing a sustainable competitive edge as a basis for solid profitability going forward," says Elkem's CEO, Helge Aasen.

The strong market conditions for Elkem in the third quarter, continued into fourth quarter, particularly for Silicon Products. Good demand and tight supply for silicon and ferrosilicon have resulted record high prices during the fourth quarter and strong results for the division. Silicones prices in China also reached new record levels in the beginning of fourth quarter but have since normalised on the back of an improved power situation. Carbon Solutions continues to see strong demand and good results.

In October 2021, Elkem launched an ambitious climate roadmap, delivering a 39% reduction of its product carbon footprint by 2031. Elkem's long-term goal is net zero emissions by 2050. In line with these ambitions, the new energy recovery plant at Elkem Salten in the northern part of Norway was opened by Prime Minister Jonas Gahr Støre on 15 November. The installation positions Elkem Salten as one of the most energy effective silicon plants in the world. The energy recovery plant represents an investment of around NOK 1.2 billion and will recover 28% of the electrical energy used at Elkem Salten, equal to the power consumption of about 15,000 Norwegian households. On 1 February, Elkem secured 100% ownership of the Salten energy recovery plant.

In addition, Elkem is working on a concept to eliminate all direct CO2 emissions from silicon production. The project will target silicon production with carbon looping, where the CO2 will be captured, converted to solid carbon, and reused in the process. If successful, this could become a game changer for the global silicon industry. The project will run from 2022-2024, with financial support from The Research Council of Norway.

The group's equity as at 31 December 2021 amounted to NOK 19,874 million, which gave a ratio of equity to total assets of 47%. Net interest-bearing debt was NOK 4,827 million, which gave a ratio of net interest-bearing debt to EBITDA of 0.6x. The net interest-bearing debt and leverage ratio have been significantly reduced due to the strong improvement in results and

the capital increase in April. Elkem had cash and cash equivalents of NOK 7,040 million as at 31 December 2021 and undrawn credit lines of around NOK 3,200 million.

In December 2021, Elkem ASA obtained a BBB/Stable issuer rating from Scope Ratings. The rating reflects Elkem's strong financial profile, solid position in the global silicone and advanced materials markets, as well as the company's solid global footprint.

Elkem continues to see a strong demand for its products, driven by the group's strong market positions. Price increases are implemented for specialities in Silicones from 1st quarter 2022, but the current high price level for silicon metal could more than offset this effect. Silicon Products will benefit from significantly higher contract prices for silicon in the first quarter and significant price increases for foundry alloys. Carbon Solutions continues to benefit from strong steel and ferroalloys markets but is impacted by higher raw material costs.

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About Elkem

Elkem is one of the world's leading providers of advanced material solutions shaping a better and more sustainable future. The company develops silicones, silicon products and carbon solutions by combining natural raw materials, renewable energy and human ingenuity. Elkem helps its customers create and improve essential innovations like electric mobility, digital communications, health and personal care as well as smarter and more sustainable cities. With a strong track record since 1904, its global team of more than 7,000 people has a joint commitment to stakeholders: Delivering your potential. In 2021, Elkem was rated among the world's leading companies on climate, with a roadmap towards net zero emissions by 2050, and achieved an operating income of NOK 33.7 billion. Elkem is listed on the Oslo Stock Exchange (ticker: ELK). www.elkem.com